

Maluti-A-Phofung Municipality Approved Final Budget 2015/16 “MTREF”





2015/16 TO 2017/18 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR Automated Meter Reading
CFO Chief Financial Officer
MM Municipal Manager
CPI Consumer Price Index
DBSA Development Bank of South Africa
DoRA Division of Revenue Act
DWA Department of Water Affairs
EE Employment Equity
EEDSM Energy Efficiency Demand Side Management
EM Executive Mayor
FBS Free basic services
GAMAP Generally Accepted Municipal Accounting Practice
GRAP General Recognised Accounting Practice
HR Human Resources
IDP Integrated Development Strategy
IT Information Technology
kℓ kilolitre
km kilometre
KPA Key Performance Area
KPI Key Performance Indicator

kWh kilowatt

ℓ litre
LED Local Economic Development
MEC Member of the Executive Committee
MFMA Municipal Financial Management Act
MIG Municipal Infrastructure Grant
MMC Member of Mayoral Committee
MPRA Municipal Properties Rates Act
MSA Municipal Systems Act
MTEF Medium-term Expenditure Framework
MTREF Medium-term Revenue and Expenditure Framework
NERSA National Electricity Regulator South Africa
NGO Non-Governmental organisations
NKPIs National Key Performance Indicators
OP Operational Plan
PMS Performance Management System
PPE Property Plant and Equipment
SALGA South African Local Government Association
SDBIP Service Delivery Budget Implementation Plan



PART1- APPROVED FINAL ANNUAL BUDGET

1.1 Mayor's Report



1.2 Resolutions

1.2.1 APPROVED FINAL ANNUAL BUDGET FOR THE 2015/16 AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK, IDP AND RELATED POLICIES

1.2.2 (A) Consolidated annual Operating Budget

The annual consolidated total operating income of R2,099,118,639.00 and annual consolidated total operating expenditure of R1,953,318,639.00 and indicative amounts for the two projected outer years 2016/17 and 2017/18, be approved as set out in the following Tables:

- (a) Operating revenue by source reflected in TABLE A4 on – Page 11
- (b) Operating expenditure by type reflected in TABLE A4 on – Page 11
- (c) Operating expenditure by vote classification reflected in TABLE A3 on – Page 24

1.2.3 (B) Consolidated annual Capital Budget

- (a) That the Annual consolidated capital budget of R450,665,000.00 and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years 2016/17 and 2017/18, be approved as set out in TABLE A5 on Page 28

1.2.4 (C) MAP annual Operating Budget

That the Annual total operating income of R1,923,772,639.00 and annual total operating expenditure of R1,777,972,639.00 and indicative amounts for the two projected outer years 2016/17 and 2017/18, be approved as set out in the following Schedules:

- (a) Operating revenue and expenditure by source reflected in TABLE A4 on – Page 35
- (b) Operating expenditure by type reflected in TABLE A4 on – Page 35
- (c) Operating expenditure by vote classification reflected in TABLE A3 on – Page 34

1.2.5 (D) MAP Annual Capital Budget

- (a) That the annual capital budget of R450,665,000.00 and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years 2016/17 and 2017/18, be approved as set out in TABLE A5 on page 37

1.2.6(E) MAP WATER Annual Operating Budget

That the Annual total operating income of R175,346,000.00 and annual total operating expenditure of R175,346,000.00 and indicative amounts for the two projected outer years 2016/17 and 2017/18, be noted as set out in the following Schedules:

- (a) Operating revenue by source reflected in TABLE D2 on –Annexure 4
- (b) Operating expenditure by type reflected in TABLE D2 on –Annexure 4

1.2.7(F) that the property rates and any other municipal tax reflected in Annexure 3 Approved for the budget year 2015/2016 be approved

1.2.8(G) that the annual reviewed policies as reflected on Annexure 5 be adopted for implementation



1.3 EXECUTIVE SUMMARY

The preparation of the Approved final annual budget for the 2015/2016 financial year shall be informed by the following:

- Annual IDP of the Municipality,
- Actual results for 2013/2014 financial year,
- Approved budget 2014/2015
- Expected results for 2015/2016 financial year
- The departmental operational plans to be prepared by the various Heads of the Departments.

The percentage increase in operating expenditure will at all times be limited to the level of increase in operating income. It must also be noted that the final percentage increases per group and department may vary based on the following considerations:

- Review of past performance,
- Expected changes in the macro-economic environment, and
- Community priorities.

The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purpose of expanding infrastructure and providing basic services to more households.

An annual budget set out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under-spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, annual budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

The above forms the basis for the preparation of the annual budget and continuous reference needs therefore to be made to it. Departments are encouraged to pay particular attention to the following when finalising their annual budget documentation:

- Improving the alignment between the IDP, operational plans, and expected service delivery milestones and targets,
- Optimizing the inclusion of new priorities within baseline allocations through reprioritization, and
- Ensuring the affordability of revised medium-term plans which require an increase to baseline allocations.
- National and Provincial priorities and to be included when preparing the budgets
- Money be allocated to from Low priority programmes to High priority programmes



The effects of the economic challenges experienced over the past years still linger and continue to place pressure on the community at large which results in difficulties for the municipality in terms revenue collection and this also impact on service delivery.

Despite this pressure on available resources, the 2015/16 budget gives priority to setting aside the financial means to build on the foundations that have been laid thus far in terms of providing service to and raising the living standards of the poorest individuals and communities at large. In line with National Government's focus on poverty alleviation, the budget is designed to extend further the Municipality's already extensive packages of services and financial relief measures for indigent communities, while still maintaining appropriate levels of service delivery to the community

Revenue estimates should be realistic, as the operating expenditure budget will be funded by the total revenue budget. It should also be reiterated that the council may not budget for a deficit and the budget should be fully funded

The guidelines for growth parameters for the budget process for 2015/2016 - 2017/2018 shall be limited to 6%, to be able to provide services and fulfil its responsibilities, the Municipality will have to obtain additional revenue from tariff increases on the various services provided.

The needs of the community, the ability of the community to pay for the services provided to them and the growth rate allowed by National Treasury should be taken into account when Council considers the annual increase in tariffs and the average effect thereof on consumer accounts. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible therefore they recommend that any increase in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target needs to be justified.

When finalizing the 2015/2016 to 2017/2018 budgets the following is taken into account:

- The estimated actual income for the 2014/2015 financial year (based on the July to February income figures).
- An estimated natural growth rate of 1% in services (electricity, waste removal) and a growth rate of 1% (resulting from supplementary valuation roll) on assessment rates on the estimated actual income for the 2014/2015 financial year.
- An average increase of 6% in tariffs.(aggregate)

Although an overall aggregate tariff increase of 6% will be maintained when drafting the guidelines for the 2015/2016 to 2017/2018 budget, it must be noted that a different percentage increase may be considered for each service, as long as it results in an overall tariff increase of not more than 6% for the Municipality except for electricity which controlled by National Electricity Regulator of South Africa or it were more than 6% is used it is justified. This will assist in determining the most acceptable and affordable scenario for the residents and ratepayers of the Maluti-A-Phofung.

The Municipality revenue quantum is determined by setting a package of tariffs which are not only affordable to its ratepayers and the users of its services, but deemed to be fair and realistic levels when viewed in context of its programmes to assist those who do not have the means to pay.



Maluti-A-Phofung municipality strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Projected Municipality growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate target;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services" user charges at levels which are reflective of these services" cost recovering nature;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's indigent policies to assist the poor and rendering of free basic services; and
- Tariff policies.

The following growth limits have been published by the National Treasury and it shall form the basis of increase in the tariff and related expenditure which should range between 4.8 to 5.9 per cent. (N.B. The 2017/18 actual is an estimate by NT)

Fiscal year	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Headline CPI Inflation	5.8%	5.6%	4.8%	5.9%	5.6%



Maluti-A-Phofung Municipality Approved –Final Budget 2015 /2016 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

Table 1 CONSOLIDATED OVERVIEW OF THE 2015/16 MTREF

FS194 Maluti-a-Phofung - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	172 501	147 150	167 544	204 500	141 690	141 690	267 000	280 350	294 368
Property rates - penalties & collection charges									
Service charges - electricity revenue	231 467	230 006	253 150	400 000	450 000	450 000	502 000	527 071	553 394
Service charges - water revenue	52 543	50 191	61 987	70 500	86 600	86 600	90 930	95 477	100 250
Service charges - sanitation revenue	26 130	28 885	31 329	33 000	38 000	38 000	39 900	41 895	43 990
Service charges - refuse revenue	20 899	21 346	21 688	25 000	29 000	29 000	32 000	33 600	35 280
Service charges - other	39 071	34 198	53 925	56 621	56 621	56 621	59 906	63 200	66 550
Rental of facilities and equipment	922	1 001	968	1 621	942	942	1 419	1 490	1 565
Interest earned - external investments	2 018	1 903	2 805	2 000	2 500	2 500	2 500	2 625	2 756
Interest earned - outstanding debtors	30 614	21 776	23 362	30 000	25 000	25 000	20 000	21 000	22 050
Dividends received					-	-		-	-
Fines	5 047	938	843	3 500	1 350	1 350	20 000	21 000	22 050
Licences and permits					-	-			
Agency services					-	-			
Transfers recognised - operational	318 770	348 013	365 116	491 688	491 688	491 688	569 484	589 792	606 426
Other revenue	806 250	90 994	85 067	82 399	88 055	88 055	493 979	518 678	544 612
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	1 706 232	976 401	1 067 784	1 400 830	1 411 445	1 411 445	2 099 119	2 196 178	2 293 291
Expenditure By Type									
Employee related costs	256 142	259 274	308 551	351 445	337 761	337 761	373 064	391 149	410 423
Remuneration of councillors	17 502	19 390	20 134	22 100	21 334	21 334	23 643	24 825	26 066
Debt impairment	96 509	56 209	183 813	15 000	7 000	7 000	50 000	52 500	55 125
Depreciation & asset impairment	458 715	214 697	215 725	150 000	100 000	100 000	179 110	188 250	197 838
Finance charges	7 463	7 583	5 769	6 000	7 600	7 600	6 000	6 300	6 615
Bulk purchases	374 012	353 257	282 062	368 474	407 072	407 072	639 274	671 361	703 805
Other materials		-							
Contracted services	42 262	122 159	79 388	65 000	84 540	84 540	78 700	77 070	80 924
Transfers and grants	74 387	77 723	80 000	88 500	88 500	88 500	255 396	230 955	240 302
Other expenditure	993 936	339 164	341 380	329 310	354 439	354 439	348 131	367 263	387 687
Loss on disposal of PPE									
Total Expenditure	2 320 927	1 449 457	1 516 822	1 395 830	1 408 245	1 408 245	1 953 319	2 009 673	2 108 785
Surplus/(Deficit)	(614 696)	(473 055)	(449 037)	5 000	3 200	3 200	145 800	186 505	184 506
Transfers recognised - capital	294 380	286 990	280 400	253 309	276 402	276 402	304 865	273 608	282 447
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Taxation									
Surplus/(Deficit) after taxation	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953

1.3.1. FINANCIAL OVERVIEW OF THE CONSOLIDATED ANNUAL BUDGET

1.3.1.1 TOTAL CONSOLIDATED OPERATING ANNUAL BUDGET

The projected annual revenue amounts to R2,099,119 billion for the 2015/16 financial year, which represents an increase of R687,673 thousands which is (49%) more the approved adjusted budget for 2014/15. For the 2016/17 and 2017/18 financial years the annual budgeted revenue amounts to R2,196,178 billion which represents an increase of R97,059 million (5%) and R2,293,291 billion which represents an increase of R97,113 million (4%) respectively.



In total the consolidated annual operating expenditure budget for the 2015/16 financial year amounts to R1,953,319 billion, which represents an increase of R545,073 thousands (39%) more than the approved adjusted budget for 2014/15. For the 2016/2017 and 2017/18 financial years the Approved annual operating expenditure budgets amounts are R2,009,673 billion and R2,108,785 billion respectively, which represent increase of R56,354 (3%) and R99,112 million (5%) for the two outer years.

The capital budget of R450,665 million for 2015/2016 is 26 per cent more when compared to the 2014/2015 Adjustment budget. The difference is due to the annual allocations on capital grants from the government. In addition to that, municipalities have to enforce credit control for positive cash flows to can carry out more projects to its community with own funding. The capital programme decreases to R385,608 million which is 14 per cent less when compared to 2016/2017 and a further decrease of R347,947 million which represents 10 per cent decrease when compared to 2017/2018. A substantial portion of the capital budget will be funded from the capital grants and the balance will be funded from internally generated funds. This internal funding project depends on the municipal collections.

The table below is a consolidated overview of the Approved 2015/16 Medium –term Revenue and Expenditure Framework:

Description	Audit Actuals 2013/2014	Adjustment Budget 2014/2015	MTREF		
			Budget Year 2015/2016	Budget Year +1 2016/2017	Budget Year +2 2017/2018
	R'000	R'000	R'000	R'000	R'000
Revenue	1 067 678	1 411 446	2 099 119	2 196 178	2 293 291
Expenditure	1 516 822	1 408 246	1 953 319	2 009 673	2 108 785
Surplus/Deficit	(449 144)	3 200	145 800	186 505	184 506
Total Capital Expenditure	280 400	358 302	450 665	385 608	347 947

1.3.1.2 REVENUE BY SOURCE OF FUNDING

Table 2 Summary of revenue classified by main revenue source

Description	Past performance Audit Actuals 2013/2014	Current Year Adjustment Budget 2014/2015	Medium Term Revenue & Expenditure Framework		
	R'000	R'000	Budget Year 2015/2016	Budget Year +1 2016/2017	Budget Year +2 2017/2018
	R'000	R'000	R'000	R'000	R'000
Rates & Taxes	160 019	141 690	267 000	280 350	294 368
Electricity	274 153	450 000	502 000	527 071	553 394
Refuse removal	20 000	29 000	32 000	33 600	35 280
Grants & Subsidies	365 116	403 188	454 044	468 002	478 181
Interest earned - external investments	1 800	2 500	2 500	2 625	2 756
Interest earned - outstanding debtors	25 000	25 000	20 000	21 000	22 050
Other Income	13 665	15 347	39 762	41 750	43 838
Income from Old Debt		75 000	475 637	499 419	524 389
Income received by the Municipality on behalf of the Entity for Services	74 000	124 600	130 830	137 372	144 240
Water	35 299	37 064	39 214	41 370	43 563
Sanitation	18 626	19 557	20 692	21 830	22 987
Grants & Subsidies (Entity)	80 000	88 500	115 440	121 790	128 245
TOTAL OPERATING REVENUE	1 067 678	1 411 446	2 099 119	2 196 179	2 293 291



Table 3 Percentage growth in revenue by main revenue Source

Description	Past performance		Current Year		Medium Term Revenue & Expenditure Framework					
	Audit Actuals 2013/2014		Adjustment Budget 2014/2015		Budget Year 2015/2016		Budget Year +1 2016/2017		Budget Year +2 2017/2018	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Rates & Taxes	160 019	15%	141 690	10%	267 000	13%	280 350	13%	294 368	13%
Electricity	274 153	26%	450 000	32%	502 000	24%	527 071	24%	553 394	24%
Refuse removal	20 000	2%	29 000	2%	32 000	2%	33 600	2%	35 280	0
Grants & Subsidies	365 116	34%	403 188	29%	454 044	22%	468 002	21%	478 181	21%
Interest earned - external investments	1 800	0%	2 500	0%	2 500	0%	2 625	0%	2 756	0%
Interest earned - outstanding debtors	25 000	2%	25 000	2%	20 000	1%	21 000	1%	22 050	1%
Other Income	13 665	1%	15 347	1%	39 762	2%	41 750	2%	43 838	2%
Income from Old Debt		0%	75 000	5%	475 637	23%	499 419	23%	524 389	23%
Income received by the Municipality on behalf of the Entity for Services	74 000	7%	124 600	9%	130 830	6%	137 372	6%	144 240	6%
Water	35 299	3%	37 064	3%	39 214	2%	41 370	2%	43 563	2%
Sanitation	18 626	2%	19 557	1%	20 692	1%	21 830	1%	22 987	1%
Grants & Subsidies (Entity)	80 000	7%	88 500	6%	115 440	5%	121 790	6%	128 245	6%
TOTAL OPERATING REVENUE	1 067 678	100%	1 411 446	100%	2 099 119	100%	2 196 179	100%	2 293 291	100%

1.3.1.3 PROPERTY RATES

- a) The Approved revenue for ASSESSMENT RATES has increased by R125 310 from the Adjustment budgets of 2014/2015 and this revenue estimates excludes the rebate (Income forgone) of R584 million. This source of revenue constitutes 13% of the total Approved revenue and it forms core of the municipality revenue base. There will be no tariff increase on assessment rates because the new valuation roll will be effected from the 1st of July and the value of properties appreciated. The value of the roll increased from R7 billion to R11 billion.

1.3.1.4 ELECTRICITY REVENUE

The estimate for ELECTRICITY REVENUE has increased by 11.5% from the Adjustment budget. This source of revenue constitutes 24% of the total operating revenue. Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund all these necessary upgrades through increases in the municipality electricity tariff since the resultant tariff increase would be unaffordable for the consumers, however the municipality has invested on new revenue management system to reduce the losses by installation of smart meters on the household's and Automatic Meter Reading System (AMR) for all the businesses and residential.

1.3.1.5 REFUSE REMOVAL REVENUE

The estimates for REFUSE REMOVAL are increased by 10.3% from the Adjustment budget and the increase is attributed by the tariff increase and areas the Municipality is intending to extend the service to as the municipality is in the process of improving the refuse service to its residents. This source of revenue constitutes 2% of our Approved revenue.



1.3.1.6 GOVERNMENT GRANTS AND SUBSIDIES

This category constitutes 22% of our total Approved operating income and the grants and subsidies consist of the following see a table below: The equitable share allocations supplement municipalities' own revenues for the provision of basic services to poor households. Grants have increased by 12,6% from the adjustment budget.

Table 4 Operating Transfers and Grant Receipts

Description	Adjusted Amount for 2014/2015	Amount allocated for 2015/2016	Amount allocated for 2016/2017	Amount allocated for 2017/2018
OPERATING GRANTS	R'000	R'000	R'000	R'000
Equitable Share	392 154	451 439	465 235	475 003
Finance Management Grant	1 600	1 675	1 810	2 145
Municipal System Improvement Programme Grant	934	930	957	1 033
Water Services Operating Subsidy Grant	8 500	-	-	-
Total Operating Grants	403 188	454 044	468 002	478 181

1.3.1.7 INCOME RECEIVED BY MAP ON BEHALF OF THE ENTITY

Income received by MAP on behalf of the entity constitutes 6% of our Approved revenue. The billing for all municipal services is run in the Municipality and the collection thereof is paid into the Municipality's bank account, the Entity then bills the Municipality for all cash received for water and sanitation on a monthly basis. Note should be taken that water and sanitation are the responsibility of Maluti-A-Phofung Water Entity.

1.3.1.8 INTEREST EARNED ON EXTERNAL INVESTMENTS

The estimate for INTEREST EARNED ON EXTERNAL INVESTMENTS constitutes 0% of the Approved total revenue and it has remained fixed at R2 500 000 from the adjusted budget of 2014/2015 due the financial difficulties experienced by the Municipality which led to non-saving of additional cash.

1.3.1.9 INTEREST EARNED ON OUTSTANDING DEBTORS

The estimate for INTEREST EARNED ON OUTSTANDING DEBTORS has decreased by 20%, we are not allowed to charge interest on government accounts, 8% of our outstanding debts are from government accounts, 10% from business, 54% from residential, 14% from FDC, 10% from indigents and other at 5% as at 30th April 2015. Note should be taken that non-payment is still a challenge but the Municipality has approved a cost containment strategy on the 19th of March 2015 and developed a revenue enhancement committee that will focus on revenue collection. The debt relief strategy is going to be reintroduced to help residential consumers settle their debts. This source of revenue constitutes 1% of the Approved total revenue

1.3.1.10 Other Revenue

This group includes revenue generated through services provided to the community, i.e. building plan fees, water and electricity connection fees, fines, transport fees, dumping fees, fines, rent of facilities, etc. and this constitutes 2% of our total Revenue.



1.3.1.11 Income from Old Debt

This includes the outstanding balance from the previous financial years of services that were charged on accounts but not paid and this constitutes 23% of our projected income. The increase of over 100% was attributed by the fact that only old debt from government was budgeted for because of the Consultant that was appointed but as the debt relief strategy is going to be reintroduced, 55% of the total debt of R869 million was budgeted for. Note should be taken that government rates & taxes are fully paid and the current account is serviced on a monthly basis.

1.3.1.12 Water and Sanitation

Water constitutes 2% of our total operating income and this category of income increased by 5,8% from the adjustment budget however the municipality is embarking on installing Automatic Meter Reading System (AMR) to replace old meters since some of the meters are faulty and their readings are not accurate. Sanitation constitutes 1% of our total operating income, sanitation increased by 5,8% from the adjustment budget.

1.4 OPERATING REVENUE FRAMEWORK

1.4.1APPROVED TARIFF SETTING

Detailed Approved tariffs for the 2015/2016 financial year are attached to the budget document on Annexure 3, however the summary of the Approved increase is as follows:

Table 5 summary of Approved tariffs

Description	Average Increase
Rates and Taxes	0%
Electricity	12.2%
Refuse	6%
Water	6%
General Tariffs	6%
Community Services	6%
Cemetery	6%
Advertising	6%
Sanitation	6%



1.4.1 Rates and Taxes Tariff

There is no Approved increase on the Property Rates tariff for 2015/2016 financial year because the new valuation roll will be implemented as from the 1st of July 2015, rebates will stay the same, the following tariff will apply:

Table 6 Property rates Comparison

PROPERTY RATES AND TAXES TARIFFS		2015/2016 PROPOSED				
	APPROVED 2014/15	Rate per Rand	Rebate %	Rebate Value per Rand	Rate Payable per Rand	Tariff Codes
RESIDENTIAL PROPERTY						
Market value (developed)	0.0076	0.3802	98%	0.3726	0.0076	VA0001
Market value (undeveloped)	0.0380	0.3802	90%	0.3422	0.0380	VA0002
Indigent	0.0000	0.3802	100%	0.3802	0.0000	VA0003
Old Age / Pensioners 100% Rebate on first R200 000 of the market value (Rebate on first R80 000 of market value is granted)	0.0000	0.3802	98%	0.3726	0.0076	VA0001
(15% rebate will be granted on the full payment made in full before 30 September 2015 for residents only)						
BUSINESS						
Market value (developed)	0.0380	0.7604	95%	0.7224	0.0380	VA0004
Market value (undeveloped)	0.0760	0.7604	89%	0.6768	0.0836	VA0005
STATE OWNED PROPERTY						
Market value (developed)	0.0655	0.0851	23.00%	0.0196	0.0655	VA0025
Market value (undeveloped)	0.0655	0.0851	23.00%	0.0196	0.0655	VA0024

National Treasury's MFMA Circular No.51 deals inter alia with the implementation of Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on the 1 July 2009 and prescribe the rate ratio for the non-residential categories, public services infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the past budgets processes.

The following stipulations in the Property Rates Policy are highlighted:

The first R80 000 of the market value of a property used for residential purposes is excluded from rate-able value in addition to this 15% rebate will be granted to rate payers who will pay their rates account before the 30th September 2015.

100 per cent rebate will be granted to registered indigents only, Old age and state pensioners in terms of Indigent Policy

100 per cent rebate will be granted to registered non- profit organisation



1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth out-strips supply. The municipality is in a process of reviewing the current water tariff structure to ensure that water tariffs structures are cost reflective by 2017 and also to ensure that:

- Water tariffs are fully cost – reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.
- 6000 litres will be given to registered indigents only as free basic water and they will be billed for the consumption that will exceed the threshold as from the 1st of July 2015.

Table 7 Comparison between current water charge and increase

WATER SERVICE	APPROVED RATES 2014/2015	PROPOSED % INCREASE	PROPOSED RATES 2015/2016
Tariff 1	R		R
MAP AREA - DOMESTIC USERS OLD AGE HOMES, HOSTELS AND FLATS			
0-6 kl - free basic water	6.81	6.0%	7.22
7-12 kl	8.33	6.0%	8.82
13-25 kl	8.58	6.0%	9.10
26-40 kl	8.82	6.0%	9.34
41kl and upwards	9.89	6.0%	10.49
0-6 kl non inc municipal area, Plots & Farms	5.57	6.0%	5.90

1.4.3 Sanitation and impact of tariffs increases

A tariff increase of 6 per cent for sanitation from 1 July 2015 is Approved . This is based on the input cost assumptions related to water. The following factors also contribute to the Approved tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (100 per cent subsidy) will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R20.6 million for the 2015/2016 financial year.



The following table compares the current and approved final tariffs:

Table 8 Comparison between current Sanitation charge and increase

DOMESTIC - BASIC CHARGE PER STAND	Current Tariffs 2014/15	Proposed Tariffs 2015/16	Increase	Percentage Increase
Harrismith & Kestell: Domestic, Flats, Old age & Hostels	119.15	126.30	7.15	6%
Intabazwe	71.79	76.10	4.31	6%
Tshame A	49.45			
Tshame B shared connections	56.21			
Qwa Qwa area	96.98			
Tlholong	43.46			

Currently different towns within the Municipality's jurisdiction are charged with different tariffs but with effect from the 1st of July 2015, sanitation will be charged as follows:

SEWER SERVICE	APPROVED RATES 2014/2015	PROPOSED % INCREASE	PROPOSED RATES 2015/2016
Tariff - 1	R		R
DOMESTIC - BASIC CHARGE PER STAND			
Harrismith & Kestell: Domestic, Flats, Old age & Hostels (Residential town)	119.15	6.00%	126.30
Residential @ townships	71.79	6.00%	76.10
<i>Charged monthly</i>			

1.4.4 Electricity and impact of tariff increase

NERSA's guideline is 12.2 per cent increase in the Eskom bulk electricity tariff which will come into effect as from 01 July 2015

The municipality has made an application to NERSA in regard to stepped tariff structure which needs to be implemented as from 01 July 2015 the effect thereof will be that the higher the consumption, the higher the cost per kWh. The implementation will be effected upon the approval by NERSA until then the municipality will maintain current tariff structure.

Free basic electricity of 50kwh will be given to registered indigents only as from the 1st of July 2015

The following table compares the current and approved tariffs



Table 9 Comparison between current Electricity charge and increase

Tariff A, Houses, Flat, Old Ages Homes, Church Offices, Charity Organisations, Schools, Sports Grounds, Clubs, Agriculture Societies		Current Tariffs 2014/15	Proposed Tariffs 2015/16	Increase	Percentage Increase
Normal meter-per kWh(single phase) summer tariff	0-50kWh)	0.76	0.85	0.09	12.20%
	(51-350kWh)	1.01	1.13	0.12	12.20%
	(351-600kWh)	1.33	1.49	0.16	12.20%
	(>600kWh)	1.48	1.66	0.18	12.20%
Normal meter-per kWh(single phase) Winter tariff	0-50kWh)	0.80	0.90	0.10	12.20%
	(51-350kWh)	1.12	1.25	0.14	12.20%
	(351-600kWh)	1.39	1.56	0.17	12.20%
	(>600kWh)	1.48	1.66	0.18	12.20%
Normal meter-per kWh(Three phase) summer tariff	0-50kWh)	0.80	0.90	0.10	12.20%
	(51-350kWh)	1.06	1.19	0.10	12.20%
	(351-600kWh)	1.40	1.57	0.13	12.20%
	(>600kWh)	1.48	1.66	0.17	12.20%
Normal meter-per kWh(Three phase) winter tariff	0-50kWh)	0.84	0.95	0.18	12.20%
	(51-350kWh)	1.17	1.32	0.10	12.20%
	(351-600kWh)	1.46	1.64	0.14	12.20%
	(>600kWh)	1.49	1.67	0.18	12.20%

1.4.5 Waste management and impact of tariff increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

Considering the deficit, the municipality is doing a comprehensive investigation into the cost structure of solid waste function and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. A 6 per cent increase in the waste removal tariff is approved from 1 July 2015



Table 10 Comparison between current Refuse removal charge and increase

	Current Tariffs 2014/15	Proposed Tariffs 2015/16		
<u>Residential:</u>	Per month for one refuse removal per week		Increase	Percentage Increase
Dwellings, Town Lands, Flats, Churches, Halls, Old Aged Homes, Schools, Sport Stadiums and Clubs, Agricultural.	65.09			
Harrismith Town Plot dwellings	75.42	79.95	4.53	6%
Phuthaditjhaba	75.42	79.95	4.53	6%
Kestell	75.42	79.95	4.53	6%
Tlholong	75.42	79.95	4.53	6%
Intabazwe	75.42	79.95	4.53	6%
Tshiame	75.42	79.95	4.53	6%
Departmental	75.42	79.95	4.53	6%
Businesses, including businesses operated from residential dwellings (per container per month)	269.14	285.29	16.15	6%

Currently this service is categorised as shown on the above table but from the 1st of July 2015, it will be charged as follows:

SERVICE	APPROVED RATES 2014/2015	PROPOSED %	PROPOSED RATES 2015/2016
		INCREASE	
<u>REFUSE REMOVAL</u>			
TARIFF (excl. VAT)			
<u>Residential:</u>	Per month for one refuse removal per week	6%	Per month for one refuse removal per week
Residential properties	75.42	6%	79.95
Businesses, including businesses operated from residential dwellings (per container per month)	269.14	6%	285.29



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1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increase on large and small households, as well as an indigent household receiving free basic services

Table 11 MBRR Table SA14- Household bills

FS194 Maluti-a-Phofung - Supporting Table SA14 Household bills										
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	402.17	402.17	402.17	392.67	392.67	392.67	–	402.17	402.17	402.17
Electricity: Basic levy	135.36	139.34	149.10	157.28	157.28	157.28	6.7%	167.82	177.89	188.56
Electricity: Consumption	1 344.00	1 434.05	1 530.13	1 632.65	1 632.65	1 632.65	6.7%	1 742.04	1 858.75	1 983.29
Water: Basic levy										
Water: Consumption	175.20	184.84	195.00	205.73	205.73	205.73	6.0%	218.07	231.15	245.02
Sanitation	102.92	108.07	113.47	119.15	119.15	119.15	6.0%	126.30	133.87	141.91
Refuse removal	65.15	68.41	71.83	75.42	75.42	75.42	6.0%	79.95	84.74	89.83
Other										
sub-total	2 224.80	2 336.87	2 461.70	2 582.89	2 582.89	2 582.89	5.9%	2 736.34	2 888.58	3 050.78
VAT on Services	14.00	14.00	14.00	14.00	14.00	14.00		14.00	14.00	14.00
Total large household bill:	2 238.80	2 350.87	2 475.70	2 596.89	2 596.89	2 596.89	5.9%	2 750.34	2 902.58	3 064.78
% increase/-decrease		5.0%	5.3%	4.9%	–	–		5.9%	5.5%	5.6%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	275.50	275.50	275.50	266.00	266.00	266.00	–	275.50	275.50	275.50
Electricity: Basic levy	135.36	139.34	149.10	157.28	157.28	157.28	6.7%	167.82	177.89	188.56
Electricity: Consumption	624.00	661.44	701.13	743.19	743.19	743.19	6.7%	792.99	846.12	902.81
Water: Basic levy										
Water: Consumption	137.70	145.27	153.26	161.69	161.69	161.69	6.0%	171.39	181.68	192.58
Sanitation	62.02	65.12	68.38	71.79	71.79	71.79	6.0%	76.10	80.67	85.51
Refuse removal	65.15	68.41	71.83	75.42	75.42	75.42	6.0%	79.95	84.74	89.83
Other										
sub-total	1 299.73	1 355.09	1 419.19	1 475.39	1 475.39	1 475.39	6.0%	1 563.75	1 646.60	1 734.79
VAT on Services	14.00	14.00	14.00	14.00	14.00	14.00		14.00	14.00	14.00
Total small household bill:	1 313.73	1 369.09	1 433.19	1 489.39	1 489.39	1 489.39	5.9%	1 577.75	1 660.60	1 748.79
% increase/-decrease		4.2%	4.7%	3.9%	–	–		5.9%	5.3%	5.3%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates				50.67	50.67	50.67	–	50.67	50.67	50.67
Electricity: Basic levy										
Electricity: Consumption	408.00	435.34	464.50	38.00	38.00	38.00	12.2%	42.50	45.05	47.75
Water: Basic levy										
Water: Consumption	100.96	106.51	112.37	39.83	118.55	118.55	6.0%	43.32	45.92	48.67
Sanitation		–	–	94.68	94.68	94.68	6.0%	101.20	107.27	113.71
Refuse removal		–	–	75.42	75.42	75.42	6.0%	79.95	84.75	89.83
Other										
sub-total	508.96	541.85	576.87	298.60	377.32	377.32	6.4%	317.64	333.66	350.64
VAT on Services	14.00	14.00	14.00	14.00	14.00	14.00		14.00	14.00	14.00
Total small household bill:	522.96	555.85	590.87	312.60	391.32	391.32	6.1%	331.64	347.66	364.64
% increase/-decrease		6.3%	6.3%	(47.1%)	25.2%	–		(15.3%)	4.8%	4.9%



SOCIAL PACKAGE

The following social package will be provided during 2015/2016 financial year.

Table 12 social packages

Service charges	Residents	Indigent
Electricity	0	50kWh per month
Water	0	6kl per month
Refuse removal	0	100%
Sanitation	0	100%
Assessment rates	(Rebate on first R80 000 of market value is granted)	100%
Assessment rates	(15% rebate will be granted on the full payment made in full before 30 September 2015)	

1.5 OPERATING EXPENDITURE FRAMEWORK

The expenditure section of the operating budget outlines out all the operating expenses and cash outflows to both internal and external sources.

In order to facilitate accountability departments must budget for all expenditure necessary for the performance of their respective functions.

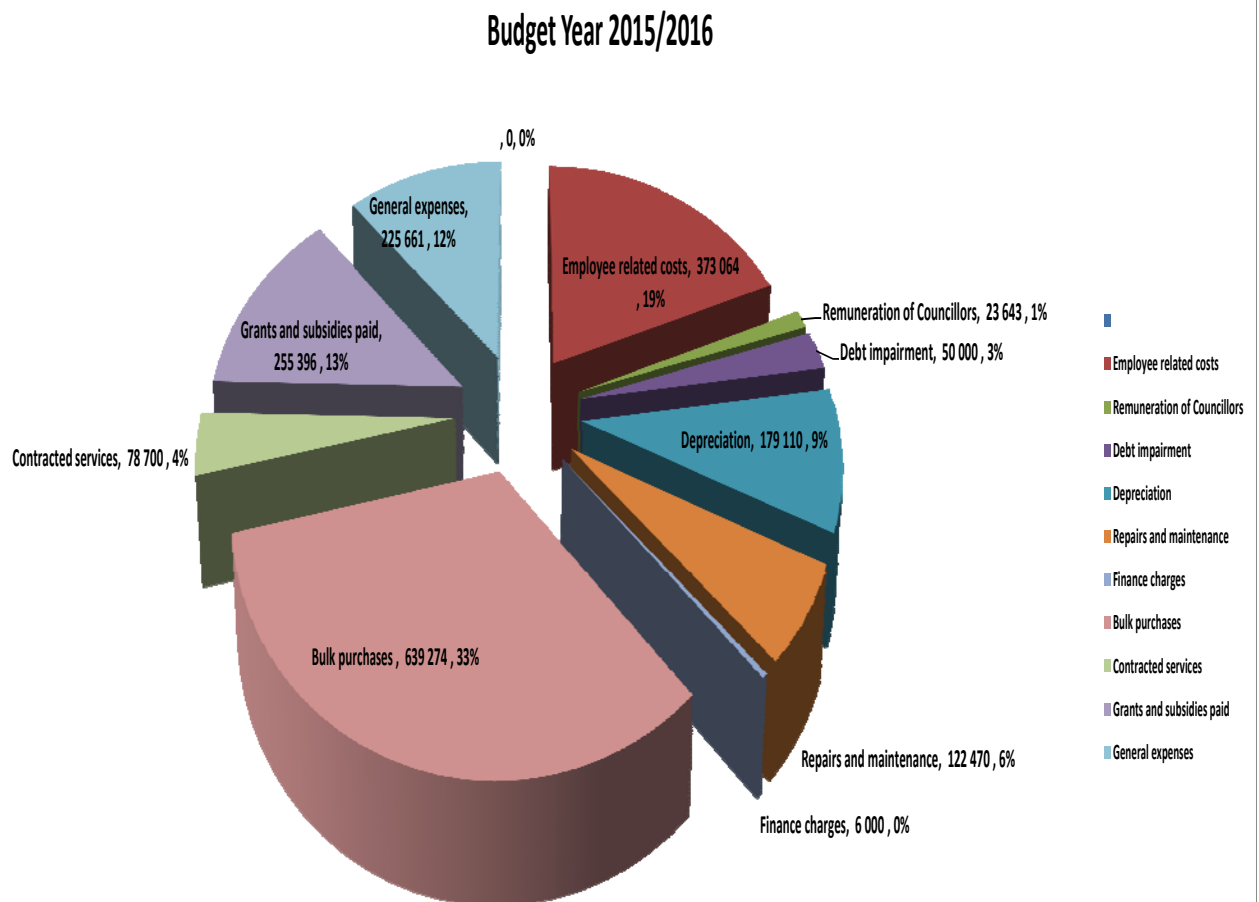
However, departments are required to address only the expenditure items directly manageable by the relevant department.

The zero-based types of analysis where all activities are open to in-depth review and scrutiny during the budget process provides an opportunity for the reallocation of resources to important priorities and avoid continuous growth in the budgeted expenditure of low priorities.

The expenditure budget consists of operational service delivery items and provides, inter alia, for the following:

Table13 Operating Expenditure by Standard classification item

Description	Audit Actuals 2013/2014 R'000	Adjustment Budget 2014/2015 R'000	Budget Year 2015/2016 R'000	% in relation to 2015/16 budget year	Budget Year +1 2016/2017 R'000	Budget Year +2 2017/2018 R'000
Employee related costs	321 239	337 760	373 064	19%	391 149	410 423
Remuneration of Councillors	21 000	21 335	23 643	1%	24 825	26 066
Debt impairment	183 813	7 000	50 000	3%	52 500	55 125
Depreciation	218 425	100 000	179 110	9%	188 250	197 838
Repairs and maintenance	92 749	94 947	122 470	6%	128 594	135 024
Finance charges	3 000	7 600	6 000	0%	6 300	6 615
Bulk purchases	299 360	418 474	639 274	33%	671 361	703 805
Contracted services	105 450	84 540	78 700	4%	77 070	80 924
Grants and subsidies paid	80 000	88 500	255 396	13%	230 955	240 302
General expenses	191 785	248 090	225 661	12%	238 670	252 663
TOTAL OPERATING EXPENDITURE BY TYPE	1 516 821	1 408 246	1 953 318	100%	2 009 674	2 108 785





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The following table gives a breakdown of the main expenditure categories for the 2015/2016 financial year:

Table 14 Operating Expenditure By Vote

Expenditure By Vote	Audit Actuals 2013/2014	Adjustment Budget 2014/2015	Budget Year 2015/2016	% in relation to 2015/16 budget year	Budget Year +1 2016/2017	Budget Year +2 2017/2018
Legislative Authority	54 724 679	58 033 820	105 667 261	5%	110 950 625	116 498 156
Office of MM	36 022 531	18 789 298	31 874 402	2%	33 468 122	35 141 528
Corporate Services	28 871 166	26 687 715	25 331 285	1%	26 597 849	27 927 742
Financial Services	603 469 719	337 633 158	569 088 965	29%	555 354 912	581 195 308
Municipal Infrastructure	526 305 075	105 901 504	109 476 601	6%	114 950 431	120 697 952
Community Services	9 543 800	8 018 461	11 700 977	1%	12 286 026	12 900 327
Public Safety	43 455 621	61 633 852	71 197 126	4%	74 756 982	78 494 831
Sports,Parks	34 953 823	35 900 800	36 789 570	2%	38 629 048	40 560 501
LED & Tourism	14 250 914	10 367 024	30 546 277	2%	32 073 591	33 677 270
Human Settlement		14 095 775	14 061 381		14 764 450	15 502 672
Spatial Dev Plan & Traditional Affairs	31 299 203	13 744 554	14 997 650	1%	15 747 533	16 534 909
Electricity		572 318 999	757 241 144		795 103 201	834 858 361
MAP Water	133 925 000	145 121 000	175 346 000	9%	184 990 000	194 795 000
Total	1 516 821 532	1 408 245 960	1 953 318 639	61%	2 009 672 770	2 108 784 558

Table 15 MBRR Table A3 – Budgeted Financial Performance (revenue and Expenditure by municipal vote)

FS194 Maluti-a-Phofung - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Legislative Authority	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services	1 118	1 035	187	100	–	–	–	–	–
Vote 4 - Budget & Treasury Office	1 496 630	780 903	824 720	971 107	931 059	931 059	1 530 133	1 551 395	1 610 902
Vote 5 - Municipal Infrastructure	99 572	100 422	115 133	128 500	153 627	153 627	162 859	171 002	179 553
Vote 6 - Community Services	17	507	25	50	1 518	1 518	1 518	1 593	1 673
Vote 7 - Public Safety	5 390	1 277	2 647	5 629	2 452	2 452	21 042	22 094	23 199
Vote 8 - Parks, Sports & Recreation	1 417	953	1 186	1 421	1 185	1 185	729	765	804
Vote 9 - LED & Tourism	–	–	–	–	–	–	6 000	6 300	6 615
Vote 10 - Human Settlement and Traditional Affairs	55	63	47	100	100	100	1 060	1 113	1 169
Vote 11 - Spatial Planning & Development	525	659	434	382	866	866	875	919	965
Vote 12 - Electricity Department	278 066	264 324	269 880	401 728	451 920	451 920	504 422	529 614	556 064
Vote 13 - Maluti Water (Pty) Ltd	117 822	113 247	133 925	145 121	145 121	145 121	175 346	184 990	194 795
Vote 14 - v vote 14	–	–	–	–	–	–	–	–	–
Vote 15 - v vote 15	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2 000 611	1 263 391	1 348 184	1 654 139	1 687 847	1 687 847	2 403 984	2 469 786	2 575 738
Expenditure by Vote to be appropriated									
Vote 1 - Legislative Authority	23 917	34 958	38 514	50 698	58 034	58 034	105 667	110 951	116 498
Vote 2 - Office of the Municipal Manager	9 050	11 720	28 311	28 529	31 039	31 039	31 874	33 468	35 142
Vote 3 - Corporate Services	16 985	15 377	17 957	25 064	26 688	26 688	25 331	26 598	27 928
Vote 4 - Budget & Treasury Office	1 446 119	562 355	625 926	377 580	337 633	337 633	569 089	555 355	581 195
Vote 5 - Municipal Infrastructure	176 457	178 618	182 214	113 629	102 459	102 459	109 477	114 950	120 698
Vote 6 - Community Services	9 369	5 944	7 283	12 131	8 018	8 018	11 701	12 286	12 900
Vote 7 - Public Safety	42 975	54 826	42 630	50 825	49 384	49 384	71 197	74 757	78 495
Vote 8 - Parks, Sports & Recreation	24 838	29 583	35 651	40 123	35 901	35 901	36 790	38 629	40 561
Vote 9 - LED & Tourism	1 379	2 727	10 384	22 091	10 367	10 367	30 546	32 074	33 677
Vote 10 - Human Settlement and Traditional Affairs	8 941	10 372	12 800	16 907	14 089	14 089	14 061	14 764	15 503
Vote 11 - Spatial Planning & Development	11 320	9 294	7 941	17 195	13 750	13 750	14 998	15 748	16 535
Vote 12 - Electricity Department	431 756	420 434	373 286	495 936	575 761	575 761	757 241	795 103	834 858
Vote 13 - Maluti Water (Pty) Ltd	117 822	113 247	133 925	145 121	145 121	145 121	175 346	184 990	194 795
Vote 14 - v vote 14	–	–	–	–	–	–	–	–	–
Vote 15 - v vote 15	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2 320 927	1 449 457	1 516 822	1 395 830	1 408 245	1 408 245	1 953 319	2 009 673	2 108 785
Surplus/(Deficit) for the year	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953



1.5.1 Employee Related Cost and Remuneration by Councillors

The allocation for employee related cost for 2015/16 amount to R373 million which equals to 19 per cent of the total operating expenditure, and R23.6 million for remuneration of Councillors allowances which constitutes 1% of the total operating expenditure. The increase in employee related costs is mainly due to the provision of salary increase in the next financial year (2015/16) which is based on 4.4% that is inflation linked according to circular 75 and other vacant positions.

1.5.2 Repairs and Maintenance

Repairs and Maintenance constitutes 6% of our total annual operating expenditure. This category includes all labour, vehicle and material costs for the repair and maintenance of the assets of the Municipality. It includes both contracted services and services performed by employees. The total cost of asset maintenance is disclosed in this category to enable an evaluation of asset performance.

The repairs and maintenance of electricity, roads, storm water systems, traffic lights, buildings, vehicles, grounds, and equipment will be included in this category.

The deferral of maintenance expenditure on assets has the effect of increasing future maintenance costs and also has potential for reducing the economic life of the asset and hence the flow of economic benefits. Deferrals and the impact thereof should be indicated clearly in the operational plans.

In determining the budget under this section, the following should also be allowed for:

- New assets to be acquired during the course of the year and which would require maintenance.
- Capital assets to be sold or disposed of in the course of the year and which would not require further maintenance.

Departments must indicate their needs to maintain the assets of the Municipality in the repairs and maintenance master plans. Departments must also indicate in their operational plans their annual requirements and the deferred maintenance needs.

Table 16 Repairs and Maintenance per asset class

Description	Adjustment Budget 2014/2015	Budget Year 2015/2016	Budget Year +1 2016/2017	Budget Year +2 2017/2018
R & M - BUILDINGS	1 085 000.00	6 000 000.00	6 300 000.00	6 615 000.00
R & M - COMPUTER EQUIPMENT	50 000.00	800 000.00	840 000.00	882 000.00
R & M - EQUIPMENT & TOOLS	125 000.00	500 000.00	525 000.00	551 250.00
R & M - COMMUNICATION SYSTEM	-	50 000.00	52 500.00	55 125.00
R & M - FENCING	200 000.00	2 210 000.00	2 320 500.00	2 436 525.00
R & M - FURNITURE	65 000.00	300 000.00	315 000.00	330 750.00
R & M - RESURFACING OF ROADS	35 000 000.00	40 095 646.47	42 100 428.79	44 205 450.23
R & M - GROUNDS & OPEN SPACES	100 000.00	108 000.00	113 400.00	119 070.00
R & M - MOTORS & PUMPS	350 000.00	360 000.00	378 000.00	396 900.00
R & M - NETWORK RETICULATION	13 000 000.00	15 000 000.00	15 750 000.00	16 537 500.00
R & M - RADIO'S	51 000.00	-	-	-
R & M - STREET LIGHTS	8 000 000.00	9 000 000.00	9 450 000.00	9 922 500.00
R & M - STREETS & STORMWATER	100 000.00	8 000 000.00	8 400 000.00	8 820 000.00
R & M - SUBSTATIONS	5 939 000.00	9 000 000.00	9 450 000.00	9 922 500.00
R & M - VEHICLES	6 000 000.00	4 000 000.00	4 200 000.00	4 410 000.00
R & M -TRAFFIC LIGHTS	4 000 000.00	5 061 000.00	5 314 050.00	5 579 752.50
R & M- CCTV CAMERAS	-	60 000.00	63 000.00	66 150.00
R & M - MAP WATER	20 881 700.00	21 925 785.00	23 022 074.00	24 173 178.00
TOTAL	94 946 700	122 470 431	128 593 953	135 023 651



1.5.3 BULK PURCHASES (ELECTRICITY & WATER)

Approved Bulk purchases of electricity and water amounts to R459.2 million and the repayment plan amounts to R180 million which makes a total amount of R639.2 million which constitutes 33% of the expenditure for 2015/2016, the change is directly informed by the tariff in purchases of bulk electricity from Eskom.

1.5.4 FINANCE CHARGES

Finance charges include the payment of interest and redemption on the external loans by municipality. This constitutes 0% of the total annual operating expenditure for 2015/2016

1.5.6 CONTRACTED SERVICES

This includes services which have a period of more than one year and these services are electricity, financial systems, landside fill, refuse collection, streetlights, valuation roll, revenue enhancement project and Municipal building insurance. This constitutes 4% of the Approved expenditure for 2015/2016

1.5.7 GRANTS AND SUBSIDIES PAID

These are the grants that the municipality is paying over to the Entity and the total amount of the Equitable share to be spent for free basic services which might increase based on the fact that the indigent registration was extended to rural households as well and it constitutes 13% of the Approved expenditure for 2015/2016

1.5.8 GENERAL EXPENSES

General expenses consist mainly of various line items relating to the daily operations of the municipality like, fuel cost, bank charges, consultant fees, training fees, electricity disconnection fees, grants paid, stationary, printing and postage cost, telecommunication, various rentals, etc. It constitutes an amount of R225.6 million which is 12% of the total operating budget.

1.5.9 PROVISION FOR DEBTS IMPAIRMENT AND DEPRECIATION AND ASSETS IMPAIRMENT

The provision for debt impairment was determined based on an annual collection rate (Current payment levels) and this expenditure is considered to be a non-cash flow item it, it constitutes 3% of the total operating expenditure.

The provision for depreciation and assets impairment constitutes 9% of our total operating expenditure the significant decrease from the previous financial year actual calculation is due to the verification and the process of inclusion of all municipality assets in the register and intention to dispose off some assets.



1.6 CAPITAL BUDGET

The IDP process informs the budget and the preparation of the capital budget is based on the capital development priorities approved through the Intergrated Development Plan (IDP).

The capital budget consists of the non-operational needs of the community. The procurement of assets, with a lifespan of more than one year can be classified as capital expenditure.

1.6.1 CONSOLIDATED CAPITAL BY FUNDING SOURCE

The projected annual capital budget amounts to R450,6 million for the 2015/16 financial year, which represents a increase of R92 thousands (26%) below the approved capital budget for 2014/15.

Table 17 Medium Term Capital funding

Description	Approved allocation for 2014/2015	Amount allocated for 2015/2016	Amount allocated for 2016/2017	Amount allocated for 2017/2018
CAPITAL GRANTS	R'000	R'000	R'000	R'000
Integrated National Electrification Programme (Municipal) Grant	11 300	20 000	44 000	44 000
Expanded Public Works Programme Incentive grant for Municipalities	4 866	5 718	-	-
Dwa-Fika Patso Grant	6 000	5 600	2 000	6 504.00
Rural Household Infrastructure Grant	4 500	4 500	5 000	5 500.00
Schoonplatz - Human Settlement	49 000	-	-	-
Energy Demand Management Grant	-	3 000	6 000	6 000.00
Establishment of new landfill site (waste management)	-	17 000	-	-
Regional Bulk Infrastructure Grant (Indirect Grant)	34 689	52 000	53 000	47 000
Land Reform & Rural Development	-	40 000	-	-
Municipal Infrastructure Grant	166 047	157 047	163 608	173 443
Total National Grants	276 402	304 865	273 608	282 447
Capital Fixed Assets	3 200	44 500	-	-
Own funds allocation	78 700	101 300	112 000	65 500
Total Capital Grants	358 302	450 665	385 608	347 947



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Table 18 MBRR Table A5- Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

FS194 Maluti-a-Phofung - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure	369 716	316 787	290 371	303 309	355 102	355 102	406 165	382 608	344 947
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety	-	-	-	-	-	-	-	-	-
Vote 8 - Parks, Sports & Recreation	-	-	-	-	-	-	-	-	-
Vote 9 - LED & Tourism	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlement and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 11 - Spatial Planning & Development	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - vote 14	-	-	-	-	-	-	-	-	-
Vote 15 - vote 15	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	369 716	316 787	290 371	303 309	355 102	355 102	406 165	382 608	344 947
Single-year expenditure to be appropriated									
Vote 1 - Legislative Authority	-	-	-	5 000	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	2 000	2 000	3 000	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office	-	-	-	-	500	500	1 000	-	-
Vote 5 - Municipal Infrastructure	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety	-	-	-	-	700	700	40 500	-	-
Vote 8 - Parks, Sports & Recreation	-	-	-	-	-	-	-	-	-
Vote 9 - LED & Tourism	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlement and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 11 - Spatial Planning & Development	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - vote 14	-	-	-	-	-	-	-	-	-
Vote 15 - vote 15	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	5 000	3 200	3 200	44 500	-	-
Total Capital Expenditure - Vote	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947
Capital Expenditure - Standard									
Governance and administration	7 029	8 928	2 232	25 000	17 500	17 500	4 000	-	-
Executive and council	3 091	8 598	1 752	25 000	17 500	17 500	3 000	-	-
Budget and treasury office	3 937	330	480	-	-	-	1 000	-	-
Corporate services	-	-	-	-	-	-	-	-	-
Community and public safety	31 899	39 721	38 985	35 799	41 885	41 885	81 947	34 400	33 000
Community and social services	17 806	18 307	26 778	15 474	17 674	17 674	14 217	2 000	5 000
Sport and recreation	14 093	21 414	12 206	20 325	23 510	23 510	27 231	32 400	28 000
Public safety	-	-	-	-	700	700	40 500	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	90 510	60 964	16 554	74 575	106 829	106 829	165 476	154 653	127 343
Planning and development	33 916	12 898	-	34 500	53 500	53 500	82 179	66 000	78 843
Road transport	56 594	48 066	16 554	40 075	53 329	53 329	83 296	88 653	48 500
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	234 951	200 646	227 169	167 163	185 908	185 908	193 728	188 155	179 004
Electricity	58 979	19 585	41 971	35 790	41 058	41 058	31 340	55 030	58 000
Water	116 672	91 043	87 237	75 448	69 920	69 920	106 471	101 125	96 504
Waste water management	59 299	90 017	97 961	55 925	74 930	74 930	37 917	32 000	24 500
Waste management	-	-	-	-	-	-	18 000	-	-
Other	5 328	6 529	5 432	5 772	6 180	6 180	5 514	5 400	5 600
Total Capital Expenditure - Standard	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947
Funded by:									
National Government	294 380	286 990	280 400	253 309	276 402	276 402	247 865	249 608	258 447
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	57 000	24 000	24 000
Transfers recognised - capital	294 380	286 990	280 400	253 309	276 402	276 402	304 865	273 608	282 447
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	56 289	20 093	-	-	-	-	-	-	-
Internally generated funds	19 047	9 704	9 971	55 000	81 900	81 900	145 800	109 000	62 500
Total Capital Funding	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947



Table 19 -List of Capital Project for 2015/2016

PROJECTS FROM MIG GRANT	WARD NO	ANNUAL ALLOCATION 2015/2016	ANNUAL ALLOCATION 2016/2017	ANNUAL ALLOCATION 2017/2018
PMU Establishment	All Towns / Wards	5 513 995.00	5 400 000.00	5 600 000.00
Bluegumbosch: New indoor Sport and Recreational Facility	34	7 864 761.12	13 000 000.00	3 000 000.00
Maluti-a-Phofung: Fencing and infrastructure at all cemeteries (Phase 1 C)	34, 1 and 3	7 349 370.14	2 000 000.00	4 000 000.00
Intabazwe: New indoor sport and recreational facility	1	9 101 875.21	2 400 000.00	4 000 000.00
Wilge: Upgrading of the Wilge Waste Water Treatment Works - Phase 1	22	9 076 799.10	3 000 000.00	5 000 000.00
Maluti-a-Phofung: 153 High mast lights in 4 towns	All Towns / Wards	8 340 166.40	2 030 000.00	4 000 000.00
Tshiamo B: Paving of 6km roads - Phase 2B	1	3 500 000.00	8 500 000.00	4 000 000.00
Kestell (Tlholong): Upgrading of water networks system Bulk Water Services	3	576 952.44	-	1 000 000.00
Maluti-a-Phofung: Fencing and infrastructure at all cemeteries in Maluti-a-Phofung: Phase 2	22	1 149 203.78	-	1 000 000.00
Mandela Park: Provision of sanitation services to 650 stands	33	840 163.49	-	1 000 000.00
Namahadi: Construction of Paved Roads and Storm water: Qwa Rural: Paving	18	6 038 578.57	13 153 000.00	10 000 000.00
Phuthaditjhaba: Provision of water services for network extensions and 3346 erf connections	9 and 28	6 435 226.83	1 325 000.00	1 000 000.00
Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections	17	10 446 727.97	6 000 000.00	5 000 000.00
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections	13 and 25	10 188 000.00	10 000 000.00	10 000 000.00
Qwaqwa: Construction of 10,000 VIP toilets phase 11	N/A	4 000 000.00	-	3 000 000.00
Disaster Park: Paving of 4.5km roads - Phase 3	32	8 000 000.00	8 000 000.00	8 000 000.00
Maluti-a-Phofung Phuthaditjhaba: Paving of Roads 14.5km) Phase 3	29	9 161 000.00	9 000 000.00	9 000 000.00
Kestell (Tlholong): 5km New paved roads phase 5	3	8 096 723.20	9 000 000.00	9 000 000.00
Intabazwe / Harrismith: New Commuter infrastructure facility	1	6 979 471.24	9 000 000.00	7 843 000.00
Phuthaditjhaba / QwaQwa: New taxi facility phase 1	29	9 000 000.00	12 000 000.00	14 000 000.00
Intabazwe Stadium	1	7 264 182.26	11 000 000.00	15 000 000.00
Harrismith / Intabazwe Ext. 3: Sewer Outfall Line and Rising Main	1	3 500 000.00	8 000 000.00	10 000 000.00
Wilge: Construction of a 4 ML Reservoir	22	3 800 000.00	7 000 000.00	10 000 000.00
Intabazwe: Construction of a Reservoir and pump station	1	3 200 000.00	7 000 000.00	10 000 000.00
Harrismith: Upgrading of Municipal Clubhouse	22	3 200 000.00	5 000 000.00	7 000 000.00
Harrismith / Intabazwe ext 3: Bulk water infrastructure	1	1 423 803.25	5 800 000.00	6 000 000.00
Intabazwe: New indoor sport and recreational facility phase 2	1	3 000 000.00	6 000 000.00	6 000 000.00
TOTAL PROJECTS FROM MIG GRANT		157 047 000.00	163 608 000.00	173 443 000.00



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PROJECTS FROM OTHER SOURCES OF FUNDING	WARDS	ANNUAL ALLOCATION 2015/2016	ANNUAL ALLOCATION 2016/2017	ANNUAL ALLOCATION 2017/2018
Energy Demand Management Grant (EDMG)	All Town/Wards	3 000 000.00	6 000 000.00	6 000 000.00
Expanded Public Works Incentive Grant (EPWP)	All Town/Wards	5 718 000.00		
Sterkfontein / Qwaqwa Bulk Water Scheme (RBIG)- DWA	3 and 31	52 000 000.00	53 000 000.00	47 000 000.00
Upgrading of Fika Patso water treatment works (DWA)	20	5 600 000.00	2 000 000.00	6 504 000.00
Electrification Programme	1	20 000 000.00	20 000 000.00	20 000 000.00
Eradication of backlogs (DoE)	12	-	24 000 000.00	24 000 000.00
Construction of Masaleng Substation (DoE)	10 and 19	4 500 000.00	5 000 000.00	5 500 000.00
VIP toilets project (360 toilets / annum) RHIG	34	17 000 000.00	-	-
Establishment of new landfill site (DEA)		40 000 000.00	-	-
Land Refrom & Rural Development				
TOTAL PROJECTS FROM OTHER SOURCES OF FUNDING		147 818 000.00	110 000 000.00	109 004 000.00
PROJECTS FROM OWN FUNDS	WARD NO	ANNUAL ALLOCATION 2015/2016	ANNUAL ALLOCATION 2016/2017	ANNUAL ALLOCATION 2017/2018
Rehabilitation of Landfill sites	27	1 000 000.00	-	-
Roads Honeyville & Matshekgeng (Paved Roads 1.5km) Phase 1	31	3 500 000.00	4 500 000.00	-
Phuthaditjhaba paved roads - 1.25 km	29	8 000 000.00	3 500 000.00	3 500 000.00
Infrastructure plans	All Town/Wards	-	5 000 000.00	5 000 000.00
Upgrading of substations	All Town/Wards	-	3 000 000.00	4 000 000.00
Motebang street - Rebuilt	27	10 000 000.00	28 000 000.00	-
Maghekung Infrastructure	27	10 000 000.00		
Resurfacing of Roads (Tar)	6,7,22,25,28,29	5 000 000.00	5 000 000.00	5 000 000.00
Sewerage connection Lusaka	30 and 24	10 000 000.00	-	-
Makholokweng water networks	1	8 000 000.00	9 000 000.00	-
Turfontein / Makeneng Road phase 2	16	8 000 000.00	-	-
Footbridges MAP	10,12,14,29,31	4 000 000.00	-	-
Makholokeng sewer	1	6 000 000.00	16 000 000.00	-
Maluti Contractor Development	25	20 000 000.00	35 000 000.00	45 000 000.00
Tlholong water network connection	3	4 800 000.00	-	-
Harrismith Logistic Hub		3 000 000.00		
TOTAL PROJECTS FROM OWN FUNDS		101 300 000.00	109 000 000.00	62 500 000.00
CAPITAL FIXED ASSETS FROM OWN FUNDS		ANNUAL ALLOCATION 2015/2016	ANNUAL ALLOCATION 2016/2017	ANNUAL ALLOCATION 2017/2018
COMMUNICATION SYSTEMS		500 000.00		
COMPUTER & EQUIPMENT		2 000 000.00		
EQUIPMENT/TOOLS/OFFICE MACHINES		1 000 000.00		
FURNITURE & FITTINGS		1 000 000.00		
PLANT & MACHINERY		40 000 000.00		
TOTAL FIXED ASSETS		44 500 000.00	-	-
TOTAL CAPITAL PROJECTS		450 665 000.00	382 608 000.00	344 947 000.00



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1.7 APPROVED ANNUAL BUDGET TABLES -PARENT MUNICIPALITY

The following tables present the Municipality's main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables indicate operating income and expenditure budget for 2015/16 and two outer years.

TABLE 20 MBRR Table A1 – Budget summary

FS194 Maluti-a-Phofung - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	172 501	147 150	167 544	204 500	141 690	141 690	267 000	280 350	294 368
Service charges	331 039	330 428	368 153	528 500	603 600	603 600	664 830	698 043	732 914
Investment revenue	2 018	1 903	2 805	2 000	2 500	2 500	2 500	2 625	2 756
Transfers recognised - operational	318 770	348 013	365 116	403 188	403 188	403 188	454 044	468 002	478 181
Other own revenue	764 083	35 660	30 241	117 520	115 347	115 347	535 399	562 169	590 277
Total Revenue (excluding capital transfers and contributions)	1 588 410	863 154	933 859	1 255 708	1 266 324	1 266 324	1 923 773	2 011 188	2 098 496
Employee costs	193 973	198 636	230 287	267 859	254 175	254 175	280 582	294 612	309 342
Remuneration of councillors	17 502	19 390	20 134	22 100	21 334	21 334	23 643	24 825	26 066
Depreciation & asset impairment	458 715	214 697	215 725	150 000	100 000	100 000	175 000	183 750	192 938
Finance charges	7 463	7 583	5 769	6 000	7 600	7 600	6 000	6 300	6 615
Materials and bulk purchases	374 012	353 257	282 062	350 000	400 000	400 000	620 000	651 000	683 550
Transfers and grants	74 387	77 723	80 000	88 500	88 500	88 500	255 396	230 955	240 302
Other expenditure	1 077 054	464 923	548 919	366 249	391 515	391 515	417 351	433 241	455 176
Total Expenditure	2 203 105	1 336 210	1 382 897	1 250 708	1 263 124	1 263 124	1 777 973	1 824 683	1 913 990
Surplus/(Deficit)	(614 696)	(473 055)	(449 037)	5 000	3 200	3 200	145 800	186 505	184 506
Transfers recognised - capital	294 380	286 990	280 400	253 309	276 402	276 402	304 865	273 608	282 447
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Capital expenditure & funds sources									
Capital expenditure	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947
Transfers recognised - capital	294 380	286 990	280 400	253 309	276 402	276 402	304 865	273 608	282 447
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	56 289	20 093	–	–	–	–	–	–	–
Internally generated funds	19 047	9 704	9 971	55 000	81 900	81 900	145 800	109 000	62 500
Total sources of capital funds	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947
Financial position									
Total current assets	229 497	383 906	486 265	290 131	486 265	486 265	465 455	488 728	513 164
Total non current assets	4 413 204	2 926 261	2 916 159	4 610 470	2 916 159	2 916 159	2 743 610	2 880 790	3 024 830
Total current liabilities	285 127	392 740	653 060	266 770	653 060	653 060	212 319	222 935	234 082
Total non current liabilities	77 943	71 107	71 683	90 218	71 684	71 684	41 167	40 162	39 232
Community wealth/Equity	4 279 631	2 846 319	2 677 681	4 543 614	2 677 681	2 677 681	2 955 579	3 106 421	3 264 680
Cash flows									
Net cash from (used) operating	300 254	237 487	191 630	243 309	220 097	220 097	675 665	696 363	715 016
Net cash from (used) investing	(318 064)	(275 060)	(199 768)	(251 843)	(221 239)	(221 239)	(448 165)	(382 608)	(344 947)
Net cash from (used) financing	20 514	(8 430)	(3 412)	(5 500)	(3 412)	(3 412)	(6 000)	(6 300)	(6 615)
Cash/cash equivalents at the year end	12 230	(32 319)	(43 870)	4 881	(16 105)	(16 105)	224 500	531 955	895 409
Cash backing/surplus reconciliation									
Cash and investments available	12 442	(31 689)	(43 134)	110 794	4 637	4 637	3 900	4 095	4 300
Application of cash and investments	158 733	153 447	448 378	107 392	551 305	551 305	(61 792)	(64 882)	(68 126)
Balance - surplus (shortfall)	(146 291)	(185 136)	(491 512)	3 403	(546 668)	(546 668)	65 692	68 977	72 426
Asset management									
Asset register summary (WDV)	4 375 899	2 876 725	2 870 207	334 778	2 870 207	2 870 207	3 013 718	3 164 404	3 322 624
Depreciation & asset impairment	458 715	214 697	215 725	150 000	100 000	100 000	175 000	183 750	192 938
Renewal of Existing Assets	3 563	2 500	6 208	2 608	2 203	2 203	–	3 000	4 000
Repairs and Maintenance	42 908	79 800	72 185	79 543	74 065	74 065	100 545	105 572	110 850
Free services									
Cost of Free Basic Services provided	125 180	95 080	59 751	57 927	57 927	57 927	104 958	111 256	117 931
Revenue cost of free services provided	686 574	674 501	675 994	672 527	677 527	677 527	137 819	139 198	145 450
Households below minimum service level									
Water:	8	6	4	4	4	4	4	4	4
Sanitation/sewage:	2	2	5	4	4	4	4	4	4
Energy:	15	11	5	5	5	5	5	5	5
Refuse:	70	70	74	73	73	73	73	73	73



Explanatory notes to MBRR Table A1- Budget Summary

- Table A1 represents a high-level summary of the Municipality's budget, providing a view that includes all major components of i.e. (Operating, Capital expenditure, financial position, cash flow, and MFMA funding compliance)
 - The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.
 - Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flows Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
- 1) The municipality's financial performance shows surplus position over 2015/2016 MTREF.
 - 2) The municipality's capital expenditure is funded from the following
 - Transfers recognised- capital as reflected on the Financial Performance
 - Internally generated funds are financed from previous year's accumulated surpluses. The affordability and sustainability of these funds is confirmed by the positive and increasing cash flow over the 2015/2016 MTREF.
 - 3) The municipality's cash backing/surplus reconciliation over the 2015/2016 MTREF shows a positive and increasing trend, which is an indication that the Municipality will be able to afford its commitments over the next three years.



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TABLE 21

FS194 Maluti-a-Phofung - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)									
Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
<i>Governance and administration</i>	1 497 747	781 938	825 038	971 207	931 081	931 081	1 530 157	1 551 421	1 610 929
Executive and council	–	–	–	–	–	–	–	–	–
Budget and treasury office	1 496 630	780 903	824 720	971 107	931 059	931 059	1 530 133	1 551 395	1 610 902
Corporate services	1 118	1 035	318	100	22	22	24	26	27
<i>Community and public safety</i>	6 879	2 800	3 904	7 200	5 255	5 255	24 349	25 566	26 844
Community and social services	72	570	71	150	1 618	1 618	1 668	1 751	1 838
Sport and recreation	1 417	953	1 186	1 421	1 185	1 185	729	765	804
Public safety	5 390	1 277	2 647	5 629	2 452	2 452	21 042	22 094	23 199
Housing	–	–	–	–	–	–	910	956	1 003
Health	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	525	659	434	382	871	871	880	924	970
Planning and development	525	659	434	382	866	866	875	919	965
Road transport	–	–	–	–	5	5	5	5	6
Environmental protection	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	377 638	364 746	384 882	530 228	605 520	605 520	667 252	700 586	735 584
Electricity	278 066	264 324	269 880	401 728	451 920	451 920	504 422	529 614	556 064
Water	52 543	50 191	61 987	70 500	86 600	86 600	90 930	95 477	100 250
Waste water management	26 130	28 885	31 329	33 000	38 000	38 000	39 900	41 895	43 990
Waste management	20 899	21 346	21 688	25 000	29 000	29 000	32 000	33 600	35 280
Other	–	–	–	–	–	–	6 000	6 300	6 615
Total Revenue - Standard	1 882 790	1 150 144	1 214 259	1 509 017	1 542 726	1 542 726	2 228 638	2 284 796	2 380 943
Expenditure - Standard									
<i>Governance and administration</i>	1 496 775	625 634	714 011	495 580	455 406	455 406	740 690	735 536	770 386
Executive and council	31 443	44 700	62 778	72 266	84 612	84 612	127 009	133 359	140 027
Budget and treasury office	1 446 119	562 355	625 926	377 580	337 633	337 633	569 089	555 355	581 195
Corporate services	19 213	18 580	25 307	45 734	33 160	33 160	44 593	46 822	49 163
<i>Community and public safety</i>	86 122	100 726	98 363	119 985	107 392	107 392	133 749	140 437	147 458
Community and social services	14 884	11 995	14 412	19 460	16 004	16 004	18 888	19 833	20 824
Sport and recreation	24 838	29 583	35 651	40 123	35 901	35 901	36 790	38 629	40 561
Public safety	42 975	54 826	42 630	50 825	49 384	49 384	71 197	74 757	78 495
Housing	3 426	4 322	5 671	9 577	6 103	6 103	6 874	7 218	7 579
Health	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	159 774	153 477	148 071	83 948	78 368	78 368	94 945	99 692	104 677
Planning and development	11 652	10 156	12 121	29 264	22 935	22 935	31 312	32 877	34 521
Road transport	148 122	143 322	135 949	54 684	55 433	55 433	63 633	66 815	70 155
Environmental protection	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	459 387	454 506	416 248	541 172	620 776	620 776	794 356	834 074	875 778
Electricity	431 756	420 434	373 286	495 936	575 761	575 761	757 241	795 103	834 858
Water	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	27 631	34 073	42 962	45 236	45 015	45 015	37 115	38 971	40 920
Other	1 047	1 866	6 204	10 022	1 182	1 182	14 232	14 944	15 691
Total Expenditure - Standard	2 203 105	1 336 210	1 382 897	1 250 708	1 263 124	1 263 124	1 777 973	1 824 683	1 913 990
Surplus/(Deficit) for the year	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953

Explanatory notes to MBRR Table A2- Budgeted Financial Performance (Revenue and expenditure by standard classification)

- Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.
- Three major contributing items to the increased operating revenue are additional allocations on the Equitable Share and tariff increases on service charges (Electricity, Water, sanitation and refuse)
- This table highlights that the revenues for Electricity and refuse exceed their expenditure and this is absorbed within the rates revenue, however the municipality will undertake a project to compile a transparent tariff structure to explore ways of improving efficiencies.
- Other functions that show a deficit when comparing revenue and expenditure are financed from rates and taxes revenues and other revenues sources reflected under the Budget and treasury office.



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TABLE 22

FS194 Maluti-a-Phofung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	1 118	1 035	187	100	-	-	-	-	-
Vote 4 - Budget & Treasury Office	1 496 630	780 903	824 720	971 107	931 059	931 059	1 530 133	1 551 395	1 610 902
Vote 5 - Municipal Infrastructure	99 572	100 422	115 133	128 500	153 627	153 627	162 859	171 002	179 553
Vote 6 - Community Services	17	507	25	50	1 518	1 518	1 518	1 593	1 673
Vote 7 - Public Safety	5 390	1 277	2 647	5 629	2 452	2 452	21 042	22 094	23 199
Vote 8 - Parks, Sports & Recreation	1 417	953	1 186	1 421	1 185	1 185	729	765	804
Vote 9 - LED & Tourism	-	-	-	-	-	-	6 000	6 300	6 615
Vote 10 - Human Settlement and Traditional Affairs	55	63	47	100	100	100	1 060	1 113	1 169
Vote 11 - Spatial Planning & Development	525	659	434	382	866	866	875	919	965
Vote 12 - Electricity Department	278 066	264 324	269 880	401 728	451 920	451 920	504 422	529 614	556 064
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - vote 14	-	-	-	-	-	-	-	-	-
Vote 15 - vote 15	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	1 882 790	1 150 144	1 214 259	1 509 017	1 542 726	1 542 726	2 228 638	2 284 796	2 380 943
Expenditure by Vote to be appropriated									
Vote 1 - Legislative Authority	23 917	34 958	38 514	50 698	58 034	58 034	105 667	110 951	116 498
Vote 2 - Office of the Municipal Manager	9 050	11 720	28 311	28 529	31 039	31 039	31 874	33 468	35 142
Vote 3 - Corporate Services	16 985	15 377	17 957	25 064	26 688	26 688	25 331	26 598	27 928
Vote 4 - Budget & Treasury Office	1 446 119	562 355	625 926	377 580	337 633	337 633	569 089	555 355	581 195
Vote 5 - Municipal Infrastructure	176 457	178 618	182 214	113 629	102 459	102 459	109 477	114 950	120 698
Vote 6 - Community Services	9 369	5 944	7 283	12 131	8 018	8 018	11 701	12 286	12 900
Vote 7 - Public Safety	42 975	54 826	42 630	50 825	49 384	49 384	71 197	74 757	78 495
Vote 8 - Parks, Sports & Recreation	24 838	29 583	35 651	40 123	35 901	35 901	36 790	38 629	40 561
Vote 9 - LED & Tourism	1 379	2 727	10 384	22 091	10 367	10 367	30 546	32 074	33 677
Vote 10 - Human Settlement and Traditional Affairs	8 941	10 372	12 800	16 907	14 089	14 089	14 061	14 764	15 503
Vote 11 - Spatial Planning & Development	11 320	9 294	7 941	17 195	13 750	13 750	14 998	15 748	16 535
Vote 12 - Electricity Department	431 756	420 434	373 286	495 936	575 761	575 761	757 241	795 103	834 858
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - vote 14	-	-	-	-	-	-	-	-	-
Vote 15 - vote 15	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2 203 105	1 336 210	1 382 897	1 250 708	1 263 124	1 263 124	1 777 973	1 824 683	1 913 990
Surplus/(Deficit) for the year	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953

Explanatory notes to MBRR Table A3- Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.
- The Water and sanitation are the responsibility of the Municipal entity

TABLE 23

FS194 Maluti-a-Phofung - Table A4 Budgeted Financial Performance (revenue and expenditure)

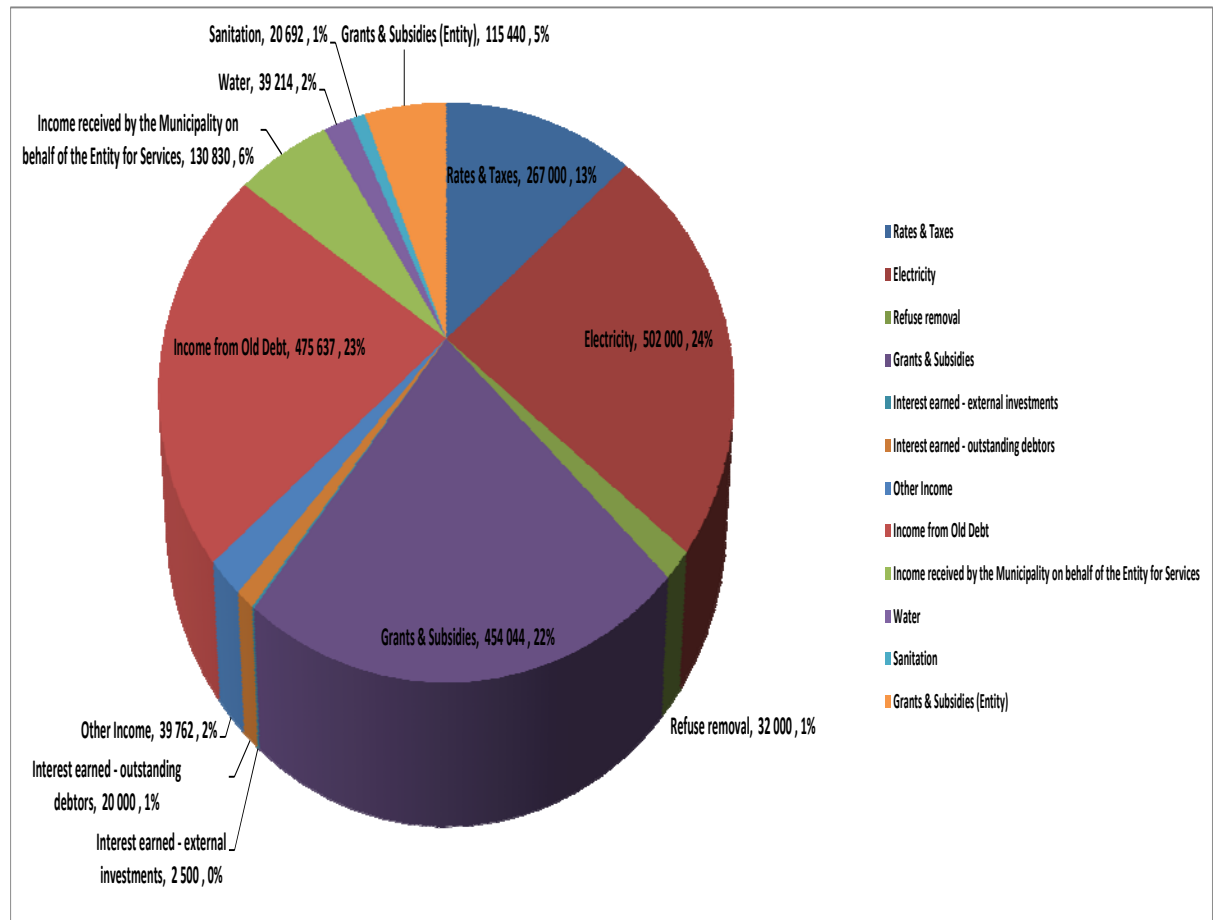
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Revenue By Source									
Property rates	172 501	147 150	167 544	204 500	141 690	141 690	267 000	280 350	294 368
Property rates - penalties & collection charges									
Service charges - electricity revenue	231 467	230 006	253 150	400 000	450 000	450 000	502 000	527 071	553 394
Service charges - water revenue	52 543	50 191	61 987	70 500	86 600	86 600	90 930	95 477	100 250
Service charges - sanitation revenue	26 130	28 885	31 329	33 000	38 000	38 000	39 900	41 895	43 990
Service charges - refuse revenue	20 899	21 346	21 688	25 000	29 000	29 000	32 000	33 600	35 280
Service charges - other									
Rental of facilities and equipment	922	1 001	968	1 621	942	942	1 419	1 490	1 565
Interest earned - external investments	2 018	1 903	2 805	2 000	2 500	2 500	2 500	2 625	2 756
Interest earned - outstanding debtors	30 614	21 776	23 362	30 000	25 000	25 000	20 000	21 000	22 050
Dividends received					-	-		-	-
Fines	5 047	938	843	3 500	1 350	1 350	20 000	21 000	22 050
Licences and permits					-	-			
Agency services					-	-			
Transfers recognised - operational	318 770	348 013	365 116	403 188	403 188	403 188	454 044	468 002	478 181
Other revenue	727 499	11 945	5 068	82 399	88 055	88 055	493 979	518 678	544 612
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	1 588 410	863 154	933 859	1 255 708	1 266 324	1 266 324	1 923 773	2 011 188	2 098 496
Expenditure By Type									
Employee related costs	193 973	198 636	230 287	267 859	254 175	254 175	280 582	294 612	309 342
Remuneration of councillors	17 502	19 390	20 134	22 100	21 334	21 334	23 643	24 825	26 066
Debt impairment	96 509	56 209	183 813	15 000	7 000	7 000	50 000	52 500	55 125
Depreciation & asset impairment	458 715	214 697	215 725	150 000	100 000	100 000	175 000	183 750	192 938
Finance charges	7 463	7 583	5 769	6 000	7 600	7 600	6 000	6 300	6 615
Bulk purchases	374 012	353 257	282 062	350 000	400 000	400 000	620 000	651 000	683 550
Other materials									
Contracted services	42 262	122 159	79 388	65 000	84 540	84 540	78 700	77 070	80 924
Transfers and grants	74 387	77 723	80 000	88 500	88 500	88 500	255 396	230 955	240 302
Other expenditure	938 283	286 555	285 719	286 249	299 975	299 975	288 651	303 671	319 128
Loss on disposal of PPE									
Total Expenditure	2 203 105	1 336 210	1 382 897	1 250 708	1 263 124	1 263 124	1 777 973	1 824 683	1 913 990
Surplus/(Deficit)	(614 696)	(473 055)	(449 037)	5 000	3 200	3 200	145 800	186 505	184 506
Transfers recognised - capital	294 380	286 990	280 400	253 309	276 402	276 402	304 865	273 608	282 447
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Taxation									
Surplus/(Deficit) after taxation	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953

Explanatory notes to Table A4-Budgeted Financial Performance (revenue and expenditure)

- Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. The projected annual revenue as reflected in this table amounts to R1,923,772 billion for the 2015/16 financial year, which represents an increase of R657,448 million (52%) more than the Adjustment budget for 2014/15. For the 2016/17 and 2017/18 financial years the annual budgeted revenue amounts to R2,011,188 billion which represents an increase of R87,415 million (5%) and R2,098,496 billion which represents an increase of R87,308 million (4%) respectively.
- Revenue to be generated from Property Rates amounts to R267 000 million in the 2015/16 financial year and increases to R280 350 million by 2017/18, which represents 13.8% of the operating revenue base of the municipality and therefore remain significant funding source for the municipality.

- Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the municipality totalling to R664,830 million for the 2015/16 financial year and increasing to R698,043 million and R732,914 million in 2016/17 and 2017/2018 respectively. For the 2015/16 financial year, service charges are 34.5% of the total anticipated revenue.
- Transfers Recognised- Operating includes the equitable share and other operating grants from national government. It needs to be noted that in real terms the grants receipts from National government are more by 13 per cent in 2015/2016 as compared to 2014/2015 and increase by 3 per cent and 2 per cent for the two outer years.

The following graph illustrates the major revenue items per type.



- Bulk purchases have increased significantly over the 2014/15 to 2017/2018 period been escalating from 400 million to 684 million. This change is attributed to substantial increase in the cost of bulk electricity from Eskom and the repayment plan to Eskom debt.
- Employee related costs is also the main cost driver within the Municipality's operating Expenditure , i.e. from R275,510 million to R335,408 million a provision of vacant posts and 4.4 per cent has been made however note should be taken that this still needs to be confirmed with Bargaining Council
- Other Expenditure consist mainly of various line items relating to daily operations of the municipality like, fuel cost, bank charges, consultant fees, audit fees, telecommunication, printing and postage cost etc. The procurement of moveable assets with an expected lifespan of more than one year. This category constitute 9% of the total operating expenditure



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TABLE 24

FS194 Maluti-a-Phofung - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure	369 716	316 787	290 371	303 309	355 102	355 102	406 165	382 608	344 947
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety	-	-	-	-	-	-	-	-	-
Vote 8 - Parks, Sports & Recreation	-	-	-	-	-	-	-	-	-
Vote 9 - LED & Tourism	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlement and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 11 - Spatial Planning & Development	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - vote 14	-	-	-	-	-	-	-	-	-
Vote 15 - vote 15	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	369 716	316 787	290 371	303 309	355 102	355 102	406 165	382 608	344 947
Single-year expenditure to be appropriated									
Vote 1 - Legislative Authority	-	-	-	5 000	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	2 000	2 000	3 000	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office	-	-	-	-	500	500	1 000	-	-
Vote 5 - Municipal Infrastructure	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety	-	-	-	-	700	700	40 500	-	-
Vote 8 - Parks, Sports & Recreation	-	-	-	-	-	-	-	-	-
Vote 9 - LED & Tourism	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlement and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 11 - Spatial Planning & Development	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - vote 14	-	-	-	-	-	-	-	-	-
Vote 15 - vote 15	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	5 000	3 200	3 200	44 500	-	-
Total Capital Expenditure - Vote	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947
Capital Expenditure - Standard									
Governance and administration	7 029	8 928	2 232	25 000	17 500	17 500	4 000	-	-
Executive and council	3 091	8 598	1 752	25 000	17 500	17 500	3 000	-	-
Budget and treasury office	3 937	330	480	-	-	-	1 000	-	-
Corporate services	-	-	-	-	-	-	-	-	-
Community and public safety	31 899	39 721	38 985	35 799	41 885	41 885	81 947	34 400	33 000
Community and social services	17 806	18 307	26 778	15 474	17 674	17 674	14 217	2 000	5 000
Sport and recreation	14 093	21 414	12 206	20 325	23 510	23 510	27 231	32 400	28 000
Public safety	-	-	-	-	700	700	40 500	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	90 510	60 964	16 554	74 575	106 829	106 829	165 476	154 653	127 343
Planning and development	33 916	12 898	-	34 500	53 500	53 500	82 179	66 000	78 843
Road transport	56 594	48 066	16 554	40 075	53 329	53 329	83 296	88 653	48 500
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	234 951	200 646	227 169	167 163	185 908	185 908	193 728	188 155	179 004
Electricity	58 979	19 585	41 971	35 790	41 058	41 058	31 340	55 030	58 000
Water	116 672	91 043	87 237	75 448	69 920	69 920	106 471	101 125	96 504
Waste water management	59 299	90 017	97 961	55 925	74 930	74 930	37 917	32 000	24 500
Waste management	-	-	-	-	-	-	18 000	-	-
Other	5 328	6 529	5 432	5 772	6 180	6 180	5 514	5 400	5 600
Total Capital Expenditure - Standard	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947
Funded by:									
National Government	294 380	286 990	280 400	253 309	276 402	276 402	247 865	249 608	258 447
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	57 000	24 000	24 000
Transfers recognised - capital	294 380	286 990	280 400	253 309	276 402	276 402	304 865	273 608	282 447
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	56 289	20 093	-	-	-	-	-	-	-
Internally generated funds	19 047	9 704	9 971	55 000	81 900	81 900	145 800	109 000	62 500
Total Capital Funding	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947



Explanatory Note to Table A5- Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of capital programme in relation to capital expenditure by municipal vote (multi-year and single- year appropriations) capital expenditure by standard classification, and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The municipality has allocated multi-year appropriations amounting to R450 665 million in 2015/2016 decreasing to R385 608 million and R347 947 million in 2016/2017 and 2017/2018 respectively.
3. The Capital Budget is funded by allocations made to the Municipality by National Government and internally generated funds from current year surpluses. For 2015/2016 capital transfers total to R304 865 million increased to R273 608 million and R282 447 million in 2016/2017 and 2017/2018 respectively with internally generated funding to proper rendering of services to the public



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TABLE 25

FS194 Maluti-a-Phofung - Table A6 Budgeted Financial Position									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Current assets									
Cash	12 230	5 651	3 900	10 794	3 900	3 900	3 000	3 150	3 308
Call investment deposits	-	-	-	100 000	-	-	-	-	-
Consumer debtors	85 207	132 258	268 826	137 335	268 826	268 826	250 000	262 500	275 625
Other debtors	120 009	40 540	14 268	25 686	14 268	14 268	14 982	15 731	16 517
Current portion of long-term receivables	9 706	12 866	7 117	13 510	7 117	7 117	7 473	7 847	8 239
Inventory	2 346	192 591	192 154	2 806	192 154	192 154	190 000	199 500	209 475
Total current assets	229 497	383 906	486 265	290 131	486 265	486 265	465 455	488 728	513 164
Non current assets									
Long-term receivables	10 479	5 922	2 694	6 218	2 694	2 694	2 855	2 998	3 148
Investments	212	630	736	0	737	737	900	945	992
Investment property	26 402	42 877	42 520	26 358	42 520	42 520	44 646	46 878	49 222
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	4 375 899	2 876 725	2 870 207	4 575 998	2 870 207	2 870 207	2 695 207	2 829 967	2 971 466
Agricultural	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-
Intangible	212	106	1	112	1	1	2	2	2
Other non-current assets	0	0	0	1 784	-	-	-	-	-
Total non current assets	4 413 204	2 926 261	2 916 159	4 610 470	2 916 159	2 916 159	2 743 610	2 880 790	3 024 830
TOTAL ASSETS	4 642 701	3 310 166	3 402 425	4 900 601	3 402 425	3 402 425	3 209 065	3 369 518	3 537 994
LIABILITIES									
Current liabilities									
Bank overdraft	-	37 970	47 770	-	-	-	-	-	-
Borrowing	10 072	3 031	3 272	(0)	-	-	-	-	-
Consumer deposits	24 655	24 529	11 733	12 314	11 733	11 733	12 319	12 935	13 582
Trade and other payables	250 400	327 210	590 285	254 456	641 327	641 327	200 000	210 000	220 500
Provisions	-	-	-	-	-	-	-	-	-
Total current liabilities	285 127	392 740	653 060	266 770	653 060	653 060	212 319	222 935	234 082
Non current liabilities									
Borrowing	21 821	17 416	13 762	21 708	13 762	13 762	11 262	8 762	6 262
Provisions	56 122	53 692	57 921	68 510	57 922	57 922	29 905	31 400	32 970
Total non current liabilities	77 943	71 107	71 683	90 218	71 684	71 684	41 167	40 162	39 232
TOTAL LIABILITIES	363 070	463 848	724 743	356 988	724 744	724 744	253 486	263 097	273 314
NET ASSETS	4 279 631	2 846 319	2 677 681	4 543 614	2 677 681	2 677 681	2 955 579	3 106 421	3 264 680
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	4 279 631	2 846 319	2 677 681	4 543 614	2 677 681	2 677 681	2 955 579	3 106 421	3 264 680
Reserves	-	-	-	-	-	-	-	-	-
Minorities' interests	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	4 279 631	2 846 319	2 677 681	4 543 614	2 677 681	2 677 681	2 955 579	3 106 421	3 264 680



Explanatory notes to Table A6 - Budgeted Financial Position

1. The budgeted Statement of Financial Position of the Municipality has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 which can be found on page 97) are provided with details of the major components of items such as:
 - ▮ Call Investment Deposits
 - ▮ Consumer Debtors
 - ▮ Property, Plant and Equipment
 - ▮ Trade and Other Payables
 - ▮ Non-Current Provisions
 - ▮ Changes in Net Assets
 - ▮ Reserves
3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the Municipality and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.



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TABLE 26

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	172 028	147 150	111 726				267 000	280 350	294 368
Service charges	257 380	338 674	117 489	670 520	229 215	229 215	664 830	698 043	732 914
Other revenue	109 262	13 180	19 744				515 399	541 169	568 227
Government - operating	318 770	348 013	365 116	403 188	403 188	403 188	454 044	468 002	478 181
Government - capital	287 313	284 563	279 591	253 309	276 402	276 402	304 865	273 608	282 447
Interest	2 018	1 903	2 805	2 000	2 500	2 500	22 500	23 625	24 806
Dividends							-	-	-
Payments									
Suppliers and employees	(764 667)	(810 690)	(619 072)	(991 208)	(595 108)	(595 108)	(1 291 576)	(1 351 178)	(1 419 010)
Finance charges	(7 463)	(7 583)	(5 769)	(6 000)	(7 600)	(7 600)	(6 000)	(6 300)	(6 615)
Transfers and Grants	(74 387)	(77 723)	(80 000)	(88 500)	(88 500)	(88 500)	(255 396)	(230 955)	(240 302)
NET CASH FROM/(USED) OPERATING ACTIVITIES	300 254	237 487	191 630	243 309	220 097	220 097	675 665	696 363	715 016
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	995	-	5 862				-	-	-
Decrease (Increase) in non-current debtors	-		-				-	-	-
Decrease (increase) other non-current receivables	2 446	1 396	8 977	1 466	8 977	8 977	2 500	-	-
Decrease (increase) in non-current investments	665 898	1 770	-				-	-	-
Payments									
Capital assets	(987 403)	(278 226)	(214 607)	(253 309)	(230 216)	(230 216)	(450 665)	(382 608)	(344 947)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(318 064)	(275 060)	(199 768)	(251 843)	(221 239)	(221 239)	(448 165)	(382 608)	(344 947)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-	-	-
Borrowing long term/refinancing	19 797	5 355	-				-	-	-
Increase (decrease) in consumer deposits	717						-	-	-
Payments									
Repayment of borrowing	-	(13 785)	(3 412)	(5 500)	(3 412)	(3 412)	(6 000)	(6 300)	(6 615)
NET CASH FROM/(USED) FINANCING ACTIVITIES	20 514	(8 430)	(3 412)	(5 500)	(3 412)	(3 412)	(6 000)	(6 300)	(6 615)
NET INCREASE/ (DECREASE) IN CASH HELD	2 705	(46 002)	(11 551)	(14 034)	(4 554)	(4 554)	221 500	307 455	363 454
Cash/cash equivalents at the year begin:	9 525	13 683	(32 319)	18 914	(11 551)	(11 551)	3 000	224 500	531 955
Cash/cash equivalents at the year end:	12 230	(32 319)	(43 870)	4 881	(16 105)	(16 105)	224 500	531 955	895 409

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the Municipality during the 2015/16 to 2017/18 MTREF.
2. The Municipality has embarked on an extensive debt collection process to boost cash levels it has appointed debt collectors and exercising strict credit control even to households to improve their collections. The Debt relief strategy is going to be reintroduced to help consumers settle their debts. These initiatives and interventions with Provincial government, might translate the municipality into a positive cash position
3. For the 2015/16 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term, with cash levels anticipated to be R224 million by 2015/16 and steadily increasing to R895 million by 2016/17.

TABLE 27

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	12 230	(32 319)	(43 870)	4 881	(16 105)	(16 105)	224 500	531 955	895 409
Other current investments > 90 days	–	–	(0)	105 913	20 005	20 005	(221 500)	(528 805)	(892 102)
Non current assets - Investments	212	630	736	0	737	737	900	945	992
Cash and investments available:	12 442	(31 689)	(43 134)	110 794	4 637	4 637	3 900	4 095	4 300
Application of cash and investments									
Unspent conditional transfers	10 280	7 854	7 045	9 297	7 045	7 045	–	–	–
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	148 452	145 593	441 333	98 095	541 980	541 980	(64 186)	(67 395)	(70 765)
Other provisions									
Long term investments committed	–	–	–	–	2 280	2 280	2 394	2 513	2 639
Reserves to be backed by cash/investments									
Total Application of cash and investments:	158 733	153 447	448 378	107 392	551 305	551 305	(61 792)	(64 882)	(68 126)
Surplus(shortfall)	(146 291)	(185 136)	(491 512)	3 403	(546 668)	(546 668)	65 692	68 977	72 426

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded"
4. From the table it can be seen that for the Municipality experienced a shortfall net cash flow position for the period 2011/12 to 2014/15 but it starts to be positive from 2015/2016 to 2017/2018.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF, the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
6. As can be seen, the budget has been modelled to progressively move from a surplus of R65 million in 2015/16, R68 million in 2016/17 and R72 million in 2017/18.



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TABLE 28

FS194 Maluti-a-Phofung - Table A9 Asset Management									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	366 153	314 287	284 163	305 701	356 099	356 099	450 665	379 608	340 947
Infrastructure - Road transport	56 594	48 066	16 554	40 075	53 329	53 329	83 296	88 653	48 500
Infrastructure - Electricity	58 979	19 585	41 971	35 790	41 058	41 058	31 340	52 030	54 000
Infrastructure - Water	116 672	91 043	87 237	75 448	69 920	69 920	106 471	101 125	96 504
Infrastructure - Sanitation	59 299	90 017	97 961	55 925	74 930	74 930	37 917	32 000	24 500
Infrastructure - Other	5 328	6 529	5 432	5 772	6 180	6 180	23 514	5 400	5 600
Infrastructure	296 873	255 241	249 154	213 010	245 417	245 417	282 538	279 208	229 104
Community	29 899	37 221	32 776	67 691	92 482	92 482	41 447	34 400	33 000
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	39 382	21 825	2 232	25 000	18 200	18 200	126 679	66 000	78 843
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	3 563	2 500	6 208	2 608	2 203	2 203	-	3 000	4 000
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	3 000	4 000
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	3 000	4 000
Community	2 000	2 500	6 208	2 608	2 203	2 203	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1 563	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	980 141	515 864	510 756	40 075	510 756	510 756	536 294	563 109	591 264
Infrastructure - Electricity	681 361	400 801	396 832	35 790	396 832	396 832	416 674	437 508	459 383
Infrastructure - Water	464 579	331 842	328 556	75 448	328 556	328 556	344 984	362 233	380 345
Infrastructure - Sanitation	126 181	90 129	89 237	55 925	89 237	89 237	93 699	98 384	103 303
Infrastructure - Other	8 739	6 242	6 180	5 772	6 180	6 180	6 489	6 813	7 154
Infrastructure	2 261 000	1 344 877	1 331 562	213 010	1 331 562	1 331 562	1 398 140	1 468 047	1 541 449
Community	442 736	313 473	310 369	70 299	310 369	310 369	325 888	342 182	359 291
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	26 402	42 877	42 520	26 358	42 520	42 520	44 646	46 878	49 222
Other assets	1 645 549	1 175 392	1 185 755	25 000	1 185 755	1 185 755	1 245 043	1 307 295	1 372 660
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	212	106	1	112	1	1	2	2	2
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	4 375 899	2 876 725	2 870 207	334 778	2 870 207	2 870 207	3 013 718	3 164 404	3 322 624
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	458 715	214 697	215 725	150 000	100 000	100 000	175 000	183 750	192 938
Repairs and Maintenance by Asset Class	42 908	79 800	72 185	79 543	74 065	74 065	100 545	105 572	110 850
Infrastructure - Road transport	27 026	40 928	46 446	35 100	35 100	35 100	46 000	48 300	50 715
Infrastructure - Electricity	11 231	31 414	16 213	21 500	31 000	31 000	38 061	39 964	41 962
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	38 257	72 343	62 659	56 600	66 100	66 100	84 061	88 264	92 677
Community	602	1 631	1 665	300	100	100	108	113	119
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	4 049	5 826	7 861	22 643	7 865	7 865	16 376	17 194	18 054
TOTAL EXPENDITURE OTHER ITEMS	501 623	294 498	287 910	229 543	174 065	174 065	275 545	289 322	303 788
Renewal of Existing Assets as % of total capex	1.0%	0.8%	2.1%	0.8%	0.6%	0.6%	0.0%	0.8%	1.2%
Renewal of Existing Assets as % of deprecn"	0.8%	1.2%	2.9%	1.7%	2.2%	2.2%	0.0%	1.6%	2.1%
R&M as a % of PPE	1.0%	2.8%	2.5%	1.7%	2.6%	2.6%	3.7%	3.7%	3.7%
Renewal and R&M as a % of PPE	1.0%	3.0%	3.0%	25.0%	3.0%	3.0%	3.0%	3.0%	3.0%



Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. At this stage spending on repairs and maintenance cannot be reflected by asset class due to the misalignment of the existing asset classes with the plant maintenance asset classes on the financial system. To ensure compliance the Municipality will embark on an asset creation project which will be finalised over a couple of years.

TABLE 29

FS194 Maluti-a-Phofung - Table A10 Basic service delivery measurement									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	34 604	44 457	85 420	85 488	85 488	85 488	85 488	85 488	85 488
Piped water inside yard (but not in dwelling)	38 120	38 200	10 881	10 890	10 890	10 890	10 890	10 890	10 890
Using public tap (at least min.service level)	13 604	6 802							
Other water supply (at least min.service level)	2 624	1 313							
<i>Minimum Service Level and Above sub-total</i>	88 952	90 772	96 301	96 378	96 378	96 378	96 378	96 378	96 378
Using public tap (< min.service level)	3 520	2 100							
Other water supply (< min.service level)	4 700	4 300	3 927	3 850	3 850	3 850	3 850	3 850	3 850
No water supply									
<i>Below Minimum Service Level sub-total</i>	8 220	6 400	3 927	3 850	3 850	3 850	3 850	3 850	3 850
Total number of households	97 172	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	30 424	31 500	32 941	35 642	35 642	35 642	35 642	35 642	35 642
Flush toilet (with septic tank)	1 350	1 983	2 607	2 633	2 633	2 633	2 633	2 633	2 633
Chemical toilet	4 800	3 500	3 195	2 099	2 099	2 099	2 099	2 099	2 099
Pit toilet (ventilated)	50 350	44 471	17 424	21 900	21 900	21 900	21 900	21 900	21 900
Other toilet provisions (> min.service level)	8 235	13 526	38 949	33 600	33 600	33 600	33 600	33 600	33 600
<i>Minimum Service Level and Above sub-total</i>	95 159	94 980	95 116	95 874	95 874	95 874	95 874	95 874	95 874
Bucket toilet	253	412	715						
Other toilet provisions (< min.service level)			2 133	2 154	2 154	2 154	2 154	2 154	2 154
No toilet provisions	1 760	1 780	2 264	2 200	2 200	2 200	2 200	2 200	2 200
<i>Below Minimum Service Level sub-total</i>	2 013	2 192	5 112	4 354	4 354	4 354	4 354	4 354	4 354
Total number of households	97 172	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228
Energy:									
Electricity (at least min.service level)	81 872	86 672	95 508	95 461	95 461	95 461	95 461	95 461	95 461
Electricity - prepaid (min.service level)									
<i>Minimum Service Level and Above sub-total</i>	81 872	86 672	95 508	95 461	95 461	95 461	95 461	95 461	95 461
Electricity (< min.service level)									
Electricity - prepaid (< min.service level)									
Other energy sources	15 300	10 500	4 720	4 767	4 767	4 767	4 767	4 767	4 767
<i>Below Minimum Service Level sub-total</i>	15 300	10 500	4 720	4 767	4 767	4 767	4 767	4 767	4 767
Total number of households	97 172	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228
Refuse:									
Removed at least once a week	27 019	27 025	26 567	26 833	26 833	26 833	26 833	26 833	26 833
<i>Minimum Service Level and Above sub-total</i>	27 019	27 025	26 567	26 833	26 833	26 833	26 833	26 833	26 833
Removed less frequently than once a week	489	489	491	496	496	496	496	496	496
Using communal refuse dump	5 100	5 200	5 224	5 276	5 276	5 276	5 276	5 276	5 276
Using own refuse dump	53 400	53 800	54 061	54 602	54 602	54 602	54 602	54 602	54 602
Other rubbish disposal	664	1 158	5 576	5 632	5 632	5 632	5 632	5 632	5 632
No rubbish disposal	10 500	9 500	8 309	7 390	7 390	7 390	7 390	7 390	7 390
<i>Below Minimum Service Level sub-total</i>	70 153	70 147	73 661	73 396	73 396	73 396	73 396	73 396	73 396
Total number of households	97 172	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	97 172	97 172	6 847	5 706	5 706	5 706	70 228	70 228	70 228
Sanitation (free minimum level service)	6 782	6 782	6 847	5 706	5 706	5 706	15 012	15 012	15 012
Electricity/other energy (50kwh per household per month)	97 172	97 172	100 228	100 228	100 228	100 228	70 228	70 228	70 228
Refuse (removed at least once a week)	6 782	6 782	6 847	5 706	5 706	5 706	15 012	15 012	15 012
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	40 596 518	42 817 870	3 183 000	2 798 470	2 798 470	2 798 470	36 509 426	38 699 991	41 021 991
Sanitation (free sanitation service)	5 047 715	5 299 726	5 618 046	4 915 934	4 915 934	4 915 934	18 230 573	19 324 407	20 483 872
Electricity/other energy (50kwh per household per month)	74 233 691	41 395 231	45 048 477	45 048 477	45 048 477	45 048 477	35 816 280	37 965 257	40 243 172
Refuse (removed once a week)	5 302 260	5 567 479	5 901 840	5 164 297	5 164 297	5 164 297	14 402 035	15 266 157	16 182 126
Total cost of FBS provided (minimum social package)	125 180	95 080	59 751	57 927	57 927	57 927	104 958	111 256	117 931
Highest level of free service provided									
Property rates (R value threshold)	65 000	65 000	65 000	80 000	80 000	80 000	80 000	80 000	80 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)	62	65	68	72	72	72	101	107	114
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	100	100	100	100	100	100	100	100	100
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	561 394	579 421	616 242	614 600	619 600	619 600	35 000	35 000	35 000
Property rates (other exemptions, reductions and rebates)									
Water	40 597	42 818	3 183	2 798	2 798	2 798	36 507	38 700	41 022
Sanitation	5 048	5 300	5 618	4 916	4 916	4 916	18 231	14 531	15 403
Electricity/other energy	74 234	41 395	45 048	45 048	45 048	45 048	33 680	35 700	37 842
Refuse	5 302	5 567	5 902	5 164	5 164	5 164	14 402	15 266	16 182
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	686 574	674 501	675 994	672 527	677 527	677 527	137 819	139 198	145 450

Explanatory notes to Table A10 – Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The Municipality is persistently striving to eradicate backlogs



PART 2: SUPPORTING DOCUMENTS

2.1 Overview of annual budget process

The MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget. The new National Treasury Budget Regulations gives further effect to this by prescribing that the mayor of a municipality must establish a budget steering committee to assist in discharging the mayor's budget preparation responsibilities.

The Budget Steering Committee was established consisting of the following:

The Executive Mayor

MMCs

Chief Financial Officer

Municipal Manager

Directors

Managers



2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The IDP and Budget time schedule of the 2015/2016 budget cycle was approved by Council on 28 August 2014, 10 months before the start of the budget year in compliance with legislative directives. The Process Plan set the framework for further engagements with various stakeholders to ensure adoption of the 2015/16 IDP and Budget by the end of May 2015

In line with the above requirements, the budget process for the 2015/2016 MTREF period proceeded according to the following timeline:

January 2015: A session of the Directors investigated past performance trends of operating and capital budgets, identified budget realities going forward, and set the criteria and basis of Municipality' budget prioritization process.

20 January 2015: The council considered the 2014/2015 Mid-year Performance Assessment Review

26 February 2015: The council approved the 2014/2015 Adjustment Budget

February 2015: Budget Steering Committee meeting to discuss the departmental inputs as draft before adoption by Council

March 2015: The annual operating and capital budgets, based on the parameters and assumptions set out in the MTREF model, will be tabled at the Council meeting and the time table for budget and IDP participation was approved.

19 March 2015: The Draft Budget for 2015/2016 MTREF and Draft IDP for 2015/2016 was tabled in Council for public consultation

April 2015: Public Consultation and acceptance of written inputs as on Annexure 6

May 2015: Finalization of the 2015/16 MTREF Budget taking into consideration comments received from the public and other stakeholders.

28 May 2015: Tabling of the 2015/16 MTREF budget and 2015/2016 IDP to Council for consideration and approval

June 2015: Notifying the public of approved 2015/16 IDP and Budget

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Engaging communities/ward forums and sector organisations in obtaining their needs
- Compilation of departmental business plans including key performance indicators and targets
- Public participations process
- Compilation of the SDBIP
- The review of the performance management and monitoring processes
- Address community inputs and response to public inputs by line departments
- Tabling of draft IDP and Budget to Council

2.1.3 Financial Modelling and Key Planning Drivers

The municipality's MTREF model is annually reviewed to determine the most affordable level at which the municipality will be able to operate optimally. It sets out the economic context and assumptions that inform the compilation of the next three year's budget. In addition, sustainability forms the basis of the preparation of the operating and capital budgets.

The following key factors and planning strategies have informed the compilation of the 2015/2016 MTREF:

- Credible collection rates based on the collection achievements to date, incorporating improved anticipated for selected revenue items
- The assumption of a 100% capital expenditure implementation rate
- The need for tariff increases versus the ability of the community to pay for services
- Cash flow management strategy

2.1.4 Community Consultation

In accordance with the MFMA, the Municipal Systems Act (Act 32 of 2000) the 2015/16 MTREF and its accompanying documentation was made public in the local newspaper and municipal website for public comment and consultation after it was tabled before Council on the 19 March 2015. The documents were published on the municipal website and hard copies were made available at Libraries and Municipal Building. In addition, as legislated, the draft budget documentation was submitted in print and electronic formats to both Province and National treasury after the budget was tabled before Council. This allowed the Provincial treasury to provide views or comments on the municipality's budget, as stipulated in section 23 of the MFMA.

Ward councillors and ward committees were utilised to facilitate the community consultation process from 31st of March 2015 to April 2015, and normally includes 14 public briefing sessions. The dates and venues were published on the local newspaper and on the municipality website and on average attendance of 120 was recorded per meeting. Individual sessions were scheduled with Representative forums and businesses and non-profit organisations

The inputs received during the community consultation process were addressed and were considered as part of the finalisation of 2015/16 MTREF.



2.2 Overview of alignment of annual budget with Integrated Development Plan

2.2.1 Municipality aligned to National, Provincial and District Alignment

Maluti-A-Phofung development needs to be aligned with the National Provincial and District initiatives to ensure optimal impact from the combined efforts of all tiers of Government. In this regard their five critical elements:

- Efficient and effective public services (Deliver more and better services in a caring and efficient manner)
- Municipalities' role in employment creation
- Shift resources to new priorities
- Move from debate to effective implementation and decisive action and
- Work in partnership with communities, labour and business to achieve our shared objectives

2.2.2 Key demographic, economic and other assumptions

1. Demographic and economic

The Maluti-A-Phofung area covers the greater Harrismith, Kestell Intabazwe and Phuthaditjhaba. The municipality of 35 wards and covers approximately 4 421 km² in extent. Phuthaditjhaba is urban Centre of Qwaqwa and serves as the administrative head offices of Maluti-A-Phofung Municipality, surrounding Phuthaditjhaba are rural villages of Qwaqwa established on tribal land administered by land affairs. Harrismith is a service centre for the surrounding rural areas and a trading belt serving the passing N3 which links the Gauteng and KwaZulu Natal provinces. Harrismith is surrounded by Tshiame located 12 km to the west and Intabazwe, which is located 1,5 km to the north. The town is an employment center for people living in Tshiame, Intabazwe and Qwaqwa.

Kestell is a service center for surrounding agricultural oriented rural area with Thlolong as the Township. Kestell is situated along the N5 road that links Harrismith with Bethlehem. The rural areas of Maluti-A-Phofung comprise commercial farms and major nature conservation centre such as Qwaqwa National Park, Platberg, Sterkfontein Dam and the Maluti Mountain Range. The area is not only tourism attraction, but also make a big contribution in generating gross agricultural income for the whole of the Province.

The National Treasury in the Municipal Finance Management Act (MFMA) Circular Number 51, on the Municipal Budget Circular for 2011/2012 Medium Term Revenue and Expenditure Framework (MTERF) reiterates the following development priorities for municipalities and exhort the latter to do more within existing resource envelope.

- Ensuring delivery of effective services;
- Ensuring that drinking water and waste water meet the required quality standards all the time;
- Protecting the poor from the worst impacts of the economic downturn;
- Evolve performance culture where people are held accountable for their actions , accompanied by clear, measurable outcomes related to key development priorities;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation - *public* employment to support service delivery, public works using lower-skilled workers and youth development, ensuring that service providers are using labour intensive approaches, supporting labour intensive LED projects, implanting an interns programmes to provide young people with on the job-training;
- Ensuring adherence to Supply Chain Management Policy and fight corruption;
- Securing the health of municipal asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance;



- Expediting spending on capital projects that are funded by conditional grants.
- Developmental Objectives and Priorities on the IDP

Following an extensive and iterative consultation processes between the elected leaders, municipal administration, communities and stakeholders the municipality has agreed to the following developmental priorities that should be achieved in the next three years. These development priorities are steeped within the overall cluster system of government.

SUSTAINABLE INFRASTRUCTURE AND SERVICES	ECONOMIC DEVELOPMENT AND JOB CREATION
Water Sanitation Electricity Waste management Roads, streets, storm-water Housing Cemeteries Telecommunication Land development	Agricultural development Tourism development Land reform Industrial development Skills development SMME development
SOCIAL DEVELOPMENT AND COMMUNITY SERVICES	GOOD GOVERNANCE AND PUBLIC PARTICIPATION
Health services Environmental management Education and training Parks , Sports and recreation services and library services Transport	Increased revenue base from rates and taxes Corporate governance Institutional transformation Community-based planning
PUBLIC SAFETY	
Disaster Management Safety and Security Traffic Control Emergency services	

TABLE 30

FS194 Maluti-a-Phofung - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

2014 Medium Term Revenue & Expenditure Framework: Supporting Table 5.1A: Reconciliation of IDP Strategic Objectives and Budget (Revenue)											
Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution		52 543	50 191	61 987	70 500	86 600	86 600	90 930	95 477	100 250
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively		278 066	264 324	269 880	401 728	451 920	451 920	504 422	529 614	556 064
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents		26 130	28 885	31 329	33 000	38 000	38 000	39 900	41 895	43 990
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites		20 899	21 346	21 688	25 000	29 000	29 000	32 000	33 600	35 280
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered		72	570	71	150	1 618	1 618	1 168	1 226	1 287
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads		–	–	–	–	5	5	5	5	6
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries								500	525	551
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock		–	–	–	–	–	–	910	956	1 003
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties		525	659	434	382	866	866	875	919	965
Good Governance and public participation (operations and support)	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.		1 496 630	780 903	824 720	971 107	931 059	931 059	1 530 133	1 551 395	1 610 902
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel		1 118	1 035	318	100	22	22	24	26	27
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector		–	–	–	–	–	–	6 000	6 300	6 615
Social Development and community services	Parks,Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP		1 417	953	1 186	1 421	1 185	1 185	729	765	804
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services		297	279	371	252	352	352	302	317	333
Public Safety	Traffic Control- to improve the payment of traffic fines		5 093	998	2 277	5 377	2 100	2 100	20 740	21 777	22 866
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			1 882 790	1 150 144	1 214 259	1 509 017	1 542 726	1 542 726	2 228 638	2 284 796	2 380 943



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TABLE 31

FS194 Maluti-a-Phofung - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)											
Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution										
Sustainable Infrastructure and Services	Electricity - to manage the restructuring of electricity distribution effectively		431 756	420 434	373 286	495 936	575 761	575 761	757 241	795 103	834 858
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents										
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites		27 631	34 073	42 962	45 236	45 015	45 015	37 115	38 971	40 920
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered		9 369	5 944	7 283	12 131	8 018	8 018	9 430	9 902	10 397
Sustainable Infrastructure and Services	Roads, Streets, storm-water- to increase the safety and access to roads		148 122	143 322	135 949	54 684	55 433	55 433	72 361	75 979	79 778
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries								2 271	2 384	2 504
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock		8 941	10 372	12 800	16 907	14 089	14 089	14 061	14 764	15 503
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties		11 320	9 294	7 941	17 195	13 750	13 750	14 998	15 748	16 535
Good Governance and public participation	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.		1 446 119	562 355	625 926	377 580	337 633	337 633	569 089	555 355	581 195
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel		19 213	18 580	25 307	45 734	33 160	33 160	25 331	26 598	27 928
Good Governance and public participation	Legislative Authority- to ensure effective coordination of governance processes and compliance to legislative requirements.		23 917	34 958	38 514	50 698	58 034	58 034	105 667	110 951	116 498
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and performance review		7 526	9 741	24 264	21 568	26 578	26 578	31 874	33 468	35 142
Economic Development and Job Creation	Agricultural, land, industrial, skills, SMME development- to expand the agricultural sector								6 558	6 886	7 231
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector		1 379	2 727	10 384	22 091	10 367	10 367	20 852	21 894	22 989
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and increase the number of viable emerging businesses								3 136	3 293	3 457
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP		24 838	29 583	35 651	40 123	35 901	35 901	36 790	38 629	40 561
Public Safety	Public Safety - to ensure the safety of all persons and increase awareness around public safety		13 494	18 208	14 454	17 284	14 841	14 841	23 024	24 175	25 384
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services		16 025	22 231	17 334	20 341	23 117	23 117	18 454	19 376	20 345
Public Safety	Disaster Management- to improve disaster management capacity at the municipality			691		507	100	100	1 450	1 523	1 599
Public Safety	Safety and Security - to create a safe and secure environment		6 621	6 321	—	—	—	—	13 607	14 288	15 002
Public Safety	Traffic Control- to improve the payment of traffic fines		6 834	7 375	10 841	12 692	11 326	11 326	14 663	15 396	16 165
Allocations to other priorities											
Total Expenditure			2 203 105	1 336 210	1 382 897	1 250 708	1 263 124	1 263 124	1 777 973	1 824 683	1 913 990



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TABLE 32

FS194 Maluti-a-Phofung - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)											
Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution		116 672	91 043	87 237	75 448	69 920	69 920	106 471	101 125	96 504
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively		58 979	19 585	41 971	35 790	41 058	41 058	31 340	55 030	58 000
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents		59 299	90 017	97 961	55 925	74 930	74 930	37 917	32 000	24 500
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites								18 000	–	–
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered		15 643	18 307	26 778	7 474	7 069	7 069	5 718	–	–
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads		56 594	48 066	16 554	40 075	53 329	53 329	83 296	88 653	48 500
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries		2 163		–	8 000	10 606	10 606	8 499	2 000	5 000
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock										
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties		33 916	12 898		34 500	53 500	53 500	82 179	66 000	78 843
Good Governance and public participation	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.		3 937	330	480				1 000		
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel										
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery		5 328	6 529	5 432	5 772	6 180	6 180	5 514	5 400	5 600
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and performance review		3 091	8 598	1 752	25 000	17 500	17 500	3 000	–	–
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP		14 093	21 414	12 206	20 325	23 510	23 510	27 231	32 400	28 000
Public Safety	Public Safety - to ensure the safety of all persons and increase awareness around public safety						700	700	40 500		
Allocations to other priorities											
Total Capital Expenditure			369 716	316 787	290 371	308 309	358 302	358 302	450 665	382 608	344 947



2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, The municipality has developed and implemented a performance system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.



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TABLE 33

FS194 Maluti-a-Phofung - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
MUNICIPAL INFRASTRUCTURE										
ROADS										
Roads Construction										
New roads to be constructed	kilometer	32.0%	70	85	90	32	100.0%			
Irishawre paving of road	kilometer					6	100.0%			
Tshame paving of roads	kilometer					6	100.0%			
Namahadi	kilometer					5	100.0%			
Thuthadihaba	kilometer					5	100.0%			
Disaster park Phase 3	kilometer					4.5	100.0%			
Roads maintenance										
resurfacing	kilometer	15%	10000	10000	6000	6000		14.5		
WASTE WATER MANAGEMENT										
sanitation										
mandela park sanitation	stands							650		
Phase 10- VIP toilets	number of households					6000		6000		
Phase 11- VIP toilets	number of households					10000		10000		
Phase 12- VIP toilets	number of households					10000		10000		
ELECTRICITY										
Connections										
electricity connections			232	45	60	60				
streetlights										
Tlight mast lights	wards	65.0%	53	80.0%	100.0%	100%	98.0%	153		
streetlights					40	40				
WATER										
Water connections										
To ensure that residents have access to portable water										
Phase 3A	ERF					3346		3346		
Phase 3B	ERF					2940		2940		
Phase 3C	ERF					3907		3907		
LOCAL ECONOMIC DEVELOPMENT										
Tourism										
Create incentives for new investments and	no of SMMEs trained									
Agriculture										
Revive and implement agro processing projects and businesses										
LAND AND SUSTAINABLE HUMAN SETTLEMENTS DEVELOPMENT										
Land and housing										
To promote and ensure human settlements as opposed to just building of houses	Township establishment and provision of sites									
town planning										
To prevent and eradicate all informal settlements	no. of informal settlements									
Upgrading of some of the existing informal and provision of bulk services infrastructure to existing sites.										
WASTE REMOVAL AND ENVIRONMENT										
waste removal										
To improve waste removal service and management of landfill sites							40.0%			
To reduce illegal dumping	no of awareness campaigns							2		
COMMUNITY SERVICES										
Social development										
social services										
To raise awareness with the community on social problems occurring in their specific wards and services rendered.	awareness campaigns						2014-08-24			
To facilitate provision of social security services	pauper burials attended to	100.0%	100.0%	100.0%	100.0%	100.0%	2015-01-01		100.0%	100.0%
PUBLIC SAFETY										
Fire and disaster management										
To improve Fire services capacity	Provide professional training to employees Conduct fire safety inspection						13			
Transport										
To increase municipal fleet and equipment	Purchase of required fleet and equipment						2			
Safety and security										
To create a safe and secured environment	Improve roadworthiness of all vehicles Establishment and upgrading of animal pounds						160			
SPORTS, RECREATION AND COMMUNITY FACILITIES										
Sports and recreation										
To increase access to sport and recreation facilities for all communities	Develop and upgrade the sporting facilities						2	3		
GOVERNANCE AND ADMINISTRATION										
To establish and maintain a well-qualified and competent personnel function/service	Train personnel according to the Skills Development Plan Implement existing Public Participation Programme						27 35w ards			
To encourage communities to participate in the activities of the Municipality										
INSTITUTIONAL CAPACITY AND DEVELOPMENT										
ICT										
To improve IT Service delivery	Procure software and hardware infrastructure. Appoint and train service desk staff						30 computers			
To review and appraise the control systems.	Review the adequacy of the system of internal control to ascertain whether the system established provides reasonable assurance that the municipality "a objectives and goals will be met efficiently and economically.									
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
Financial accountability & clean audit										
Recording and reporting on all financial matters	Annual financial statements to be submitted to council, auditor general and government institutions by due date	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
To ensure proper budgetary processes and related matters are adhered to.	Timeously compilation of budget	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue enhancement										
Review the reliability of existing pay points and provide adequate cashier services to maximise collection of billed revenue										
Proper management of valuation roll										
Regular follow ups (reminders, disconnections)										



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TABLE 34

FS194 Maluti-a-Phofung - Supporting Table SA8 Performance indicators and benchmarks										
Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.3%	1.6%	0.7%	0.9%	0.9%	0.9%	0.7%	0.7%	0.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.6%	4.1%	1.6%	1.3%	1.3%	1.3%	0.8%	0.8%	0.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	26.3%	18.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	0.8	1.0	0.7	1.1	0.7	0.7	2.2	2.2	2.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.8	1.0	0.7	1.1	0.7	0.7	2.2	2.2	2.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		85.8%	102.0%	44.5%	91.7%	32.0%	0.0%	100.3%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		85.3%	101.7%	42.8%	91.5%	30.8%	30.8%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.2%	22.2%	31.4%	14.6%	23.1%	23.1%	14.3%	14.4%	14.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))									
Creditors to Cash and Investments		1963.3%	-988.1%	-1292.6%	4743.5%	-3837.9%	-3837.9%	89.1%	39.5%	24.6%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)									
	Total Cost of Losses (Rand '000)									
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	Total Volume Losses (kℓ)									
	Total Cost of Losses (Rand '000)									
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Employee costs	Employee costs/(Total Revenue - capital revenue)	12.2%	23.0%	24.7%	21.3%	20.1%	20.1%	14.6%	14.6%	14.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	13.3%	25.3%	26.8%	23.1%	21.8%	21.8%	15.8%	15.9%	16.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.7%	9.2%	7.7%	6.3%	5.8%	5.8%	5.2%	5.2%	5.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	29.3%	25.8%	23.7%	12.4%	8.5%	8.5%	9.4%	9.4%	9.5%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	80.9	82.9	75.8	144.2	144.2	144.2	49.1	49.1	51.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	42.6%	38.8%	54.1%	24.0%	38.9%	38.9%	29.2%	29.2%	29.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	(0.4)	(0.5)	0.1	(0.2)	(0.2)	2.1	4.9	7.9



Performance indicators and benchmarks

1. *Borrowing Management*

The Municipality's capital expenditure is funded from two sources, namely, National government grants and internally generated funds. The Municipality's borrowing if it intends on taking a loan will be done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. Currently the source of funding is as stated above.

The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 0.7% over the 2015/16 MTREF which indicates that the Municipality spends an average of 0.8% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding grants and contributions) has been funded by surplus of the current financial year. However the ratio averages 0,0% over the 2015/16 MTREF.

2. *Safety of Capital*

- The debt equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- The gearing ratio is a measure of the total long term borrowings over funds and reserves.

3. *Liquidity*

- Current ratio measures the extent which current assets cover current liabilities. It is preferable that the ratio is at least above one. This ratio for the Municipality averages 2,2% over the 2015/16 MTREF.
- The liquidity ratio is a measure of the ability of the Municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally a municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This ratio for the Municipality averages 0,0% over the 2015/16 MTREF.

4. *Revenue Management*

- The municipality has appointed debt collectors and exercises credit control even to households so actions are carried out against debtors who are in arrears, and loyal customers.
- The Municipality has provided an affordable payment plan for debtors to offset their arrears, where compliance with the payment plan leads to the suspension of all debt management actions and interest being raised.
- Debtors who are experiencing difficulties in paying their accounts are given options to either register as indigent or make affordable arrangements.
- Debt relief strategy is going to reintroduced

5. *Creditors Management*

- In compliance with Section 65 of the Municipal Finance Management Act (MFMA), the Municipality has continuously managed to ensure that all its creditors are settled within 30 days of invoice or statement in all cases where goods and services are rendered timeously and in good condition.



2.4 Overview of budget-related policies

The following budget related policies will be submitted to Council and after approval are available on the Municipality's website. The following policies have been used as basis for the preparation of the annual budget and are reviewed as listed on Annexure 4 of the budget document.

A) TARIFF POLICY

The Municipal System Act (section 74) requires Council to adopt a Tariff Policy. The general financial management functions as stated in section 62(1) (f) of the MFMA also states that the municipality must have and implement the policy, when determining this policy specific legislation applicable to each service has been taken into consideration.

B) CREDIT CONTROL POLICY

This policy has been formulated in terms of section 96(b) and 98 of the Local Government: Municipal Systems Act, 2000.

C) RATES POLICY

This policy is formulated in terms of section 3 of the MPRA

D) SUPPLY CHAIN POLICY

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. This policy is attached in Annexure 5. This policy is under review

E) INDIGENT POLICY

The objective of this policy is to assist households which are not able to service their municipal accounts as and when they are due and payable, as result of local economic, social and environmental challenges other than through negligence or unwillingness to pay.

F) BUDGET & REPORTING POLICY

The budget policy aims to develop, maintain processes required in developing a municipality budget and detailing the responsibilities of all stakeholders inclusive of the accounting officer, the council, the public through public participation programmes. The most preferred method of budgeting is the "Zero based" budgeting system.

G) CASH AND INVESTMENT POLICY

The investment Policy deals with the management of the municipality's surplus cash resources and the investment thereof.

H) IMPAIRMENT OF DEBTORS AND WRITE OFF POLICY

The objective of this policy is ensuring any long outstanding debt is evaluated in order to determine the possibility of realizing such income as revenue

I) VIREMENT POLICY

This policy applies only to transfers between line items within votes of the Municipality's operating budget



2.5 Overview of Budget Assumptions

2.5.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1,8 per cent last year and about 900 000 people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2016 will be 2,0 per cent rising to 2,6 and 3,0 per cent for 2017 and 2018 respectively.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/2016 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on the Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increases in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2015/2016 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2015/2016 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household information growth rate and the poor household change rate.

Household information is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household information rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences



the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred from servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.6 Salary increases

The collective agreement regarding salaries/wages expired in 2014/15 financial year so circular 75 gave guidance 4.4% to compile the 2015/16 budget.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving health services;
- Rural development and agriculture; and
- Fighting crime and corruption

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 87 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2015/2016 MTREF of which performance has been factored into the cash flow budget.

The budget formats were designed to achieve the following specific aims:

1. Strengthen the links between transparencies, understand ability and accountability. The budget formats provides these links by : requiring that the information covering seven years be presented consisting of the previous three financial years, the current year, the budget year and the following two Medium Term Revenue and Expenditure Framework (MTREF) years
2. Ensuring consistency between budget and reporting formats (Monthly, midyear performance assessment , SDBIP and the reports relating to municipal entities)
3. Promote ' good practice' in municipal financial reporting
4. Promote transparent reporting of tariffs and fees/charges information
5. Ensure compliance with DoRA reporting requirements
6. Ensure the information is available to: determine the financial status and sustainability of municipalities

The preparation of annual budget for the 2015/2016 financial year shall be informed by the following:

- Annual IDP of the Municipality,
- Actual results for 2013/2014 financial year,
- Approved budget 2014/2015
- Expected results for 2015/2016 financial year



- The departmental operational plans to be prepared by the various Heads of the Departments.
 - They are more uneconomical inhabitant in the area, which makes the area nodal and require more economic attention since there are lot of indigent households spread all over the area of Qwaqwa and including farms

2.6 Overview of budget funding

2.6.1 Breakdown of operating revenue over the medium term

TABLE 35

Description	Medium Term Revenue & Expenditure Framework					
	Budget Year 2015/2016		Budget Year +1 2016/2017		Budget Year +2 2017/2018	
	R'000	%	R'000	%	R'000	%
Rates & Taxes	267 000	14%	280 350	14%	294 368	14%
Service charges	664 830	35%	698 043	35%	732 914	35%
Interest revenue	22 500	1%	23 625	1%	24 806	1%
Transfers recognised - operational	454 044	24%	468 002	23%	478 181	23%
Other own revenue	515 399	27%	541 168	27%	568 227	27%
TOTAL OPERATING REVENUE	1 923 773	100%	2 011 188	100%	2 098 496	100%

Revenue to be generated from property rates is R267 million in the 2015/16 financial year and increases to R280 million by 2016/17 and R 294 million by 2017/18 which represents an average of 14 per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. In addition there are still outstanding objections, although significant progress was made in dealing with supplementary valuation roll during the current financial year 2014/15 financial year the process is to be concluded by the end of 2014/2015 financial year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R665 million for the 2015/16 financial year and increasing to R733 million by 2017/18. For the 2015/16 financial year services charges amount to 35 per cent of the total revenue base and grows by approximately 5% per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and other tariff charges.

Operational grants and subsidies amount to R454 million, R468 million and R478 million for each of the respective financial years of the MTREF or 24, 23 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 3 per cent and 2,2 per cent for 2017/2018.

Interest revenue contributes to 1% of the total operating expenditure amounting to R22.5 million, R23.6 million and R24.8 million for the respective three financial years of the 2015/16 MTREF.



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The tables below provide detail investment information and investment particulars by maturity.

TABLE 36

FS194 Maluti-a-Phofung - Supporting Table SA15 Investment particulars by type									
Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	212	630	736	100 000	737	737	2 500	2 625	2 756
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	212	630	736	100 000	737	737	2 500	2 625	2 756
Entities									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	212	630	736	100 000	737	737	2 500	2 625	2 756

TABLE 37

FS194 Maluti-a-Phofung - Supporting Table SA16 Investment particulars by maturity													
Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
Sanlam- 5926- 9000026112500	Yrs	money market	Yes	Variable	0				366				366
Sanlam - Money Market-50189027-90000261123	Yrs	money market	Yes	Variable	0.005012218				1 590	96			1 686
Sanlam- 11690236x2-9000026112400	Yrs	money market	Yes	Variable	0				371	-			371
FNB Call Account- 62027358292- 900002611010	Yrs	call account	Yes	Variable	0.07305				1	1			
FNB Call Account - MIG Funds- 62199534580- 9	Yrs	call account	Yes	Variable	0.00084907				2	0			
FNB JAZZ FUND -62387689824	Yrs	call account	Yes	Variable	0.000882038				1	0			1
FNB Call Account - INT/HA CORR- 6221289634	Yrs	call account	Yes	Variable	0.003726582				10	0			11
Standard BANK- 348526407- 9000026110300	Yrs	call account	Yes	Variable	0.003821909				76	3			79
Municipality sub-total									2 418		-	-	2 514
Entities													
													-
													-
													-
													-
													-
Entities sub-total									-		-	-	-
TOTAL INVESTMENTS AND INTEREST									2 418		-	-	2 514



2.6.2 Breakdown of the capital revenue for MTREF

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital Funding:

TABLE 38

2015/16 Medium Term Revenue & Expenditure								
	Adjusted Budget	%	Budget Year 2015/2016	%	Budget Year +2 2016/17	%	Budget Year +2 2017/18	%
CAPITAL GRANTS								
Funded by:								
National Government	276 402	100%	304 865	100%	273 608	100%	282 447	100%
Transfers recognised - capital	276 402	77%	304 865	68%	273 608	72%	282 447	82%
Internally generated funds	81 900	23%	145 800	32%	109 000		62 500	
Total Capital Funding	358 302	100%	450 665	100%	382 608	72%	344 947	82%

Capital grants and receipts from national government equals to 68 per cent of the total funding source which represents R304.8 million for the 2015/16 financial year and increases to R273.6 million or 72 per cent by 2016/17, further increases to 282 million by 2017/18 which is 82%. Increase relating to grant receipts is 3 over the medium-term.

Grants from national sources still remain a significant funding source for the 2016/17 to 2017/18 Capital Budget.



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The following table is a detailed analysis of the municipality's borrowing

TABLE 39

FS194 Maluti-a-Phofung - Supporting Table SA17 Borrowing									
Borrowing - Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Long-Term Loans (annuity/reducing balance)	21 821	17 416	13 762	21 708	13 762	13 762	11 262	8 762	6 262
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	21 821	17 416	13 762	21 708	13 762	13 762	11 262	8 762	6 262
Entities									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	21 821	17 416	13 762	21 708	13 762	13 762	11 262	8 762	6 262
Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	-	-	-	-	-	-	-	-	-
Entities									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	-	-	-	-	-	-	-	-	-



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TABLE 40

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	315 354	348 037	369 210	403 188	403 188	403 188	454 044	468 002	478 181
Local Government Equitable Share	305 453	338 076	361 770	392 154	392 154	392 154	451 439	465 235	475 003
Finance Management	1 450	1 500	1 550	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	790	800	890	934	934	934	930	957	1 033
Water Services Operating Subsidy	7 661	7 661	5 000	8 500	8 500	8 500	–	–	–
Other transfers/grants [insert description]									
Provincial Government:	–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]									
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	–	–	–	–	–	–	–	–	–
[insert description]									
Total Operating Transfers and Grants	315 354	348 037	369 210	403 188	403 188	403 188	454 044	468 002	478 181
Capital Transfers and Grants									
National Government:	288 534	297 568	289 258	253 309	276 402	276 402	247 865	249 608	258 447
Municipal Infrastructure Grant (MIG)	169 357	207 842	197 323	166 047	166 047	166 047	157 047	163 608	173 443
Regional Bulk Infrastructure	71 782	63 620	49 500	30 896	40 689	40 689	57 600	55 000	53 504
DoE- Integrated National Electrification Program	39 598	10 000	20 000	17 000	11 300	11 300	20 000	20 000	20 000
Expanded Public Works Incentive Programme	7 797	13 106	10 210	4 866	4 866	4 866	5 718	–	–
Rural Households Infrastructure			2 225	4 500	4 500	4 500	4 500	5 000	5 500
EDMG; Schoonplatz human settlement		3 000	10 000	30 000	49 000	49 000	3 000	6 000	6 000
Provincial Government:	–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]									
District Municipality:	–	–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:	–	–	–	–	–	–	57 000	24 000	24 000
Department of Environmental Affairs(DEA)							17 000		
Land reform & rural development : DoE(construction of maseleeng substation)							40 000	24 000	24 000
Total Capital Transfers and Grants	288 534	297 568	289 258	253 309	276 402	276 402	304 865	273 608	282 447
TOTAL RECEIPTS OF TRANSFERS & GRANTS	603 888	645 605	658 468	656 497	679 590	679 590	758 909	741 610	760 628

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other 'to be provided for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue ; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).



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TABLE 41

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	172 028	147 150	111 726				267 000	280 350	294 368
Service charges	257 380	338 674	117 489	670 520	229 215	229 215	664 830	698 043	732 914
Other revenue	109 262	13 180	19 744				515 399	541 169	568 227
Government - operating	318 770	348 013	365 116	403 188	403 188	403 188	454 044	468 002	478 181
Government - capital	287 313	284 563	279 591	253 309	276 402	276 402	304 865	273 608	282 447
Interest	2 018	1 903	2 805	2 000	2 500	2 500	22 500	23 625	24 806
Dividends							-	-	-
Payments									
Suppliers and employees	(764 667)	(810 690)	(619 072)	(991 208)	(595 108)	(595 108)	(1 291 576)	(1 351 178)	(1 419 010)
Finance charges	(7 463)	(7 583)	(5 769)	(6 000)	(7 600)	(7 600)	(6 000)	(6 300)	(6 615)
Transfers and Grants	(74 387)	(77 723)	(80 000)	(88 500)	(88 500)	(88 500)	(255 396)	(230 955)	(240 302)
NET CASH FROM/(USED) OPERATING ACTIVITIES	300 254	237 487	191 630	243 309	220 097	220 097	675 665	696 363	715 016
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	995	-	5 862				-	-	-
Decrease (Increase) in non-current debtors	-		-				-	-	-
Decrease (increase) other non-current receivables	2 446	1 396	8 977	1 466	8 977	8 977	2 500	-	-
Decrease (increase) in non-current investments	665 898	1 770	-				-	-	-
Payments									
Capital assets	(987 403)	(278 226)	(214 607)	(253 309)	(230 216)	(230 216)	(450 665)	(382 608)	(344 947)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(318 064)	(275 060)	(199 768)	(251 843)	(221 239)	(221 239)	(448 165)	(382 608)	(344 947)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-	-	-
Borrowing long term/refinancing	19 797	5 355	-				-	-	-
Increase (decrease) in consumer deposits	717						-	-	-
Payments									
Repayment of borrowing	-	(13 785)	(3 412)	(5 500)	(3 412)	(3 412)	(6 000)	(6 300)	(6 615)
NET CASH FROM/(USED) FINANCING ACTIVITIES	20 514	(8 430)	(3 412)	(5 500)	(3 412)	(3 412)	(6 000)	(6 300)	(6 615)
NET INCREASE/ (DECREASE) IN CASH HELD	2 705	(46 002)	(11 551)	(14 034)	(4 554)	(4 554)	221 500	307 455	363 454
Cash/cash equivalents at the year begin:	9 525	13 683	(32 319)	18 914	(11 551)	(11 551)	3 000	224 500	531 955
Cash/cash equivalents at the year end:	12 230	(32 319)	(43 870)	4 881	(16 105)	(16 105)	224 500	531 955	895 409

2.6.4 Cash backed reserves/accumulated surplus reconciliation

The following table meets the requirements of the MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 Of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall

A surplus would indicate the cash backed accumulated surplus that was/is available. A shortfall (applications>cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Noncompliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.



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TABLE 42

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	12 230	(32 319)	(43 870)	4 881	(16 105)	(16 105)	224 500	531 955	895 409
Other current investments > 90 days	-	-	(0)	105 913	20 005	20 005	(221 500)	(528 805)	(892 102)
Non current assets - Investments	212	630	736	0	737	737	900	945	992
Cash and investments available:	12 442	(31 689)	(43 134)	110 794	4 637	4 637	3 900	4 095	4 300
Application of cash and investments									
Unspent conditional transfers	10 280	7 854	7 045	9 297	7 045	7 045	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements									
Other working capital requirements	148 452	145 593	441 333	98 095	541 980	541 980	(64 186)	(67 395)	(70 765)
Other provisions									
Long term investments committed	-	-	-	-	2 280	2 280	2 394	2 513	2 639
Reserves to be backed by cash/investments									
Total Application of cash and investments:	158 733	153 447	448 378	107 392	551 305	551 305	(61 792)	(64 882)	(68 126)
Surplus(shortfall)	(146 291)	(185 136)	(491 512)	3 403	(546 668)	(546 668)	65 692	68 977	72 426

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the Approved budget complies with the funding requirements of the MFMA. Each of the measures is discussed below:

TABLE 43

FS194 Maluti-a-Phofung Supporting Table SA10 Funding measurement										
Description	MFMA section	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	12 230	(32 319)	(43 870)	4 881	(16 105)	(16 105)	224 500	531 955	895 409
Cash + investments at the yr end less applications - R'000	18(1)b	(146 291)	(185 136)	(491 512)	3 403	(546 668)	(546 668)	65 692	68 977	72 426
Cash year end/monthly employee/supplier payments	18(1)b	0.1	(0.4)	(0.5)	0.1	(0.2)	(0.2)	2.1	4.9	7.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	(11.2%)	6.2%	30.8%	(4.3%)	(6.0%)	19.0%	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	42.5%	97.2%	44.0%	78.8%	26.6%	26.6%	98.6%	98.6%	98.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	19.2%	11.8%	34.3%	2.0%	0.9%	0.9%	5.4%	5.4%	5.4%
Capital payments % of capital expenditure	18(1)c;19	267.1%	87.8%	73.9%	82.2%	64.3%	64.3%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	26.3%	18.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a							108.1%	103.3%	103.3%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(13.6%)	56.3%	(39.2%)	64.4%	0.0%	(6.1%)	5.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(43.5%)	(54.5%)	130.8%	(56.7%)	0.0%	6.0%	5.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(vi)	1.0%	2.8%	2.5%	1.7%	2.6%	2.6%	3.7%	3.7%	3.7%
Asset renewal % of capital budget	20(1)(vi)	1.0%	0.8%	2.1%	0.8%	0.6%	0.6%	0.0%	0.8%	1.2%

2.6.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements. If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very likely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2015/16 MTREF shows a positive R224.5 million, R531.9 million and R895.4 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality applies its available cash and investments. In the Municipality's case, the total of cash plus investment, less applications, is more than the commitments for each corresponding year the 2015/16 MTREF, which shows that the Municipality can afford its commitments in the medium term. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress (i.e. the number of times that average monthly payments are covered) from a collection and cash in-flow perspective. This ratio is at 2.1%, 4.9% & 7.9% over the 2015/16 MTREF period, which shows that stable provision in respect of the monthly payment coverage has been made. The municipal's view is that one months' provision is sufficient.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2015/2016 MTREF the indicative outcome is a surplus of R 450.6 million, R460.1 million and R466.9 million which means forecast tariffs and taxes are sufficient, implying that the community is making an adequate contribution to the economic benefits they receive.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to test whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. At 19%, -1% and -1% for the three MTREF years the ratio for 2015/16 is higher than the National Treasury CPI targets and outer years are lower than the targets.

The increase and decrease for 2015/16 MTREF can be substantiated by investigating the revenue increase relating to the following services charges:



- Rates – In the context of the economic environment in which the budget was compiled, the rates revenue increase was set at 0% because the new valuation roll comes into effect as at the 1st of July 2015.
- Electricity – To ensure affordability, the electricity revenue parameter was set 12.2% according to the Approved increase by NERSA then for outer years it 5% respectively over the MTREF period.
- Water – The revenue increase for water was set at 6% for 2015/16 and 5% for two outer years. This increase was deemed necessary to ensure sufficient maintenance of current infrastructure and to allow for investment in new infrastructure, and the expected increase in water demand.
- Refuse removal – This revenue parameter increase was modelled at 6%. The increase is in line with CPI projections and is required to ensure continued and adequate service delivery.
- Sanitation – This revenue parameter increase was modelled at 6%. The increase is in line with CPI projections and is required to ensure continued and adequate service delivery.

2.6.5.6 Cash receipts as a percentage of ratepayers and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 98.6% for 2015/16, 2016/17 and 2017/2018. Given that the assumed collection rate was based on the 100 per cent performance target, the cash flow statement has been conservatively determined.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the assumption for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 5.4% average per cent over the MTREF. Considering the debt collectors and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100% per cent timing discount has been factored into the cash position forecasted in 2015/2016 financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Extremely funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0% per cent of own funded capital for the 2015/16 financial year.

2.6.5.10 Transfers/grants revenue as percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.



2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor, the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor's accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to assess repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets



2.7 Expenditure on Grants and Reconciliations of Unspent Funds

TABLE 44

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	315 354	348 037	369 210	403 188	403 188	403 188	454 044	468 002	478 181
Local Government Equitable Share	305 453	338 076	361 770	392 154	392 154	392 154	451 439	465 235	475 003
Finance Management	1 450	1 500	1 550	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	790	800	890	934	934	934	930	957	1 033
Water Services Operating Subsidy	7 661	7 661	5 000	8 500	8 500	8 500	-	-	-
Other transfers/grants [insert description]									
Provincial Government:	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total Operating Transfers and Grants	315 354	348 037	369 210	403 188	403 188	403 188	454 044	468 002	478 181
Capital Transfers and Grants									
National Government:	288 534	297 568	289 258	253 309	276 402	276 402	247 865	249 608	258 447
Municipal Infrastructure Grant (MIG)	169 357	207 842	197 323	166 047	166 047	166 047	157 047	163 608	173 443
Regional Bulk Infrastructure	71 782	63 620	49 500	30 896	40 689	40 689	57 600	55 000	53 504
DoE- Intergrated National Electrification Progra	39 598	10 000	20 000	17 000	11 300	11 300	20 000	20 000	20 000
Expanded Public Works Incentive Programmr	7 797	13 106	10 210	4 866	4 866	4 866	5 718	-	-
Rural Households Infrastructure			2 225	4 500	4 500	4 500	4 500	5 000	5 500
EDMG; Schoonplatz human settlement		3 000	10 000	30 000	49 000	49 000	3 000	6 000	6 000
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	57 000	24 000	24 000
Department of Envirmental affairs(DEA)							17 000		
Land reform & rural development ; DoE(construction of maseleeng substation)							40 000	24 000	24 000
Total Capital Transfers and Grants	288 534	297 568	289 258	253 309	276 402	276 402	304 865	273 608	282 447
TOTAL RECEIPTS OF TRANSFERS & GRANTS	603 888	645 605	658 468	656 497	679 590	679 590	758 909	741 610	760 628



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TABLE 45

FS194 Maluti-a-Phofung - Supporting Table SA19 Expenditure on transfers and grant programme									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	318 770	348 013	365 116	403 188	403 188	403 188	454 044	468 002	478 181
Local Government Equitable Share	305 453	338 051	355 227	392 154	392 154	392 154	451 439	465 235	475 003
Finance Management	1 450	1 500	1 550	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	790	801	890	934	934	934	930	957	1 033
Water Services Operating Subsidy	7 661	7 661	5 000	8 500	8 500	8 500	-	-	-
Other transfers/grants [insert description]	3 415	-	2 449						
Provincial Government:	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total operating expenditure of Transfers and Grants	318 770	348 013	365 116	403 188	403 188	403 188	454 044	468 002	478 181
Capital expenditure of Transfers and Grants									
National Government:	294 380	286 990	280 400	253 309	276 402	276 402	247 865	249 608	258 447
Municipal Infrastructure Grant (MIG)	169 357	209 851	197 323	166 047	166 047	166 047	157 047	163 608	173 443
Regional Bulk Infrastructure	77 628	52 811	50 507	30 896	40 689	40 689	57 600	55 000	53 504
DoE- Integrated National Electrification Programme	39 598	9 422	20 000	17 000	11 300	11 300	20 000	20 000	20 000
Expanded Public Works Incentive Programme	7 797	11 906	12 570	4 866	4 866	4 866	5 718	-	-
Rural Households Infrastructure			-	4 500	4 500	4 500	4 500	5 000	5 500
EDMG; Schoonplatz human settlement		3 000	-	30 000	49 000	49 000	3 000	6 000	6 000
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]							-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	57 000	24 000	24 000
Department of Environmental Affairs (DEA)							17 000		
Land reform & rural development ; DoE (construction of maseleng substation)							40 000	24 000	24 000
Total capital expenditure of Transfers and Grants	294 380	286 990	280 400	253 309	276 402	276 402	304 865	273 608	282 447
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	613 149	635 002	645 516	656 497	679 590	679 590	758 909	741 610	760 628



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TABLE 46

FS194 Maluti-a-Phofung - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	3 887	3 766	3 765						
Current year receipts	315 354	348 012	366 667	403 188	403 188	403 188	454 044	468 002	478 181
Conditions met - transferred to revenue	315 475	348 013	367 983	403 188	403 188	403 188	454 044	468 002	478 181
Conditions still to be met - transferred to liabilities	3 766	3 765	2 449						
Provincial Government:									
Balance unspent at beginning of the year	4 443	1 149	1 149						
Current year receipts	-								
Conditions met - transferred to revenue	3 294	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	1 149	1 149	1 149						
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	318 770	348 013	367 983	403 188	403 188	403 188	454 044	468 002	478 181
Total operating transfers and grants - CTBM	4 915	4 914	3 598	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	9 017	5 366	2 940						
Current year receipts	290 729	284 564	278 040	223 309	276 402	276 402	247 865	249 608	258 447
Conditions met - transferred to revenue	294 380	286 990	280 400	223 309	276 402	276 402	247 865	249 608	258 447
Conditions still to be met - transferred to liabilities	5 366	2 940	580						
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts				30 000					
Conditions met - transferred to revenue	-	-	-	30 000	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts							57 000	24 000	24 000
Conditions met - transferred to revenue	-	-	-	-	-	-	57 000	24 000	24 000
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	294 380	286 990	280 400	253 309	276 402	276 402	304 865	273 608	282 447
Total capital transfers and grants - CTBM	5 366	2 940	580	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	613 150	635 002	648 383	656 497	679 590	679 590	758 909	741 610	760 628
TOTAL TRANSFERS AND GRANTS - CTBM	10 280	7 854	4 178	-	-	-	-	-	-



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Allocations and grants made by the municipality

TABLE 47

FS194 Maluti-a-Phofung - Supporting Table SA21 Transfers and grants made by the municipality									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Transfers to other municipalities									
<i>Insert description</i>									
Total Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms									
<i>Water Subsidy to Maluti water</i>	7 661	18 061	5 000	8 500	8 500	8 500	-	-	-
<i>Equitable share to Maluti Water</i>	66 726	59 662	75 000	80 000	80 000	80 000	115 440	84 000	86 000
Total Cash Transfers To Entities/Ems'	74 387	77 723	80 000	88 500	88 500	88 500	115 440	84 000	86 000
Cash Transfers to other Organs of State									
<i>Insert description</i>									
Total Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations									
<i>Insert description</i>									
Total Cash Transfers To Organisations	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals									
<i>Insert description</i>									
Total Cash Transfers To Groups Of Individuals:	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	74 387	77 723	80 000	88 500	88 500	88 500	115 440	84 000	86 000
Non-Cash Transfers to other municipalities									
<i>Insert description</i>									
Total Non-Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms									
<i>Insert description</i>									
Total Non-Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State									
<i>Insert description</i>									
Total Non-Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations									
<i>Insert description</i>									
Total Non-Cash Grants To Organisations	-	-	-	-	-	-	-	-	-
Groups of Individuals									
<i>Indigent Households</i>							139 957	146 955	154 302
Total Non-Cash Grants To Groups Of Individuals:	-	-	-	-	-	-	139 957	146 955	154 302
TOTAL NON-CASH TRANSFERS AND GRANTS	-	-	-	-	-	-	139 957	146 955	154 302
TOTAL TRANSFERS AND GRANTS	74 387	77 723	80 000	88 500	88 500	88 500	255 396	230 955	240 302

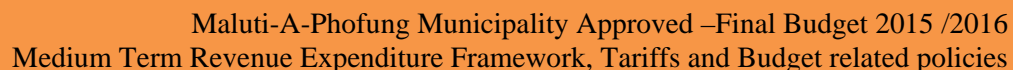


Maluti-A-Phofung Municipality Approved –Final Budget 2015 /2016 Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

2.8 Councillors and employee benefits

TABLE 48

FS194 Maluti-a-Phofung - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	—	—	—	5 991	1 491	1 491	—	—	—
Pension and UIF Contributions	1 460	1 671	1 696	1 885	402	402	1 953	2 050	2 153
Medical Aid Contributions	322	275	245	286	86	86	249	262	275
Motor Vehicle Allowance	3 373	2 922	3 061	3 258	200	200	3 131	3 288	3 452
Cellphone Allowance	863	939	1 384	1 514	42	42	1 524	1 600	1 680
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	11 484	13 582	13 749	9 165	19 113	19 113	16 786	17 626	18 507
Sub Total - Councillors	17 502	19 390	20 134	22 100	21 334	21 334	23 643	24 825	26 066
% increase	—	10.8%	3.8%	9.8%	(3.5%)	—	10.8%	5.0%	5.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	7 703	4 681	12 256	6 489	7 113	7 113	25 746	27 033	28 385
Pension and UIF Contributions	377	246	487	925	519	519	3 367	3 536	3 712
Medical Aid Contributions	152	377	124	224	136	136	1 219	1 280	1 344
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	1 183	1 515	1 185	1 571	2 166	2 166	5 678	5 962	6 260
Cellphone Allowance	122	144	115	153	153	153	384	403	423
Housing Allowances	—	26	—	106	—	—	188	197	207
Other benefits and allowances	9	—	85	180	212	212	439	461	484
Payments in lieu of leave	—	422	—	437	782	782	—	—	—
Long service awards	—	—	—	153	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality	9 547	7 411	14 252	10 238	11 081	11 081	37 021	38 872	40 816
% increase	—	(22.4%)	92.3%	(28.2%)	8.2%	—	234.1%	5.0%	5.0%
Other Municipal Staff									
Basic Salaries and Wages	110 544	122 277	133 095	166 149	144 271	144 271	167 250	175 612	184 393
Pension and UIF Contributions	19 316	20 923	17 666	31 853	26 164	26 164	17 031	17 883	18 777
Medical Aid Contributions	5 732	6 426	8 560	11 700	8 719	8 719	11 288	11 853	12 445
Overtime	10 098	12 223	20 221	12 736	40 235	40 235	3 710	3 896	4 090
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	2 619	573	949	8 871	2 831	2 831	6 610	6 941	7 288
Cellphone Allowance	294	247	365	847	616	616	565	593	623
Housing Allowances	516	568	652	1 480	933	933	885	929	976
Other benefits and allowances	17 158	23 648	27 995	5 093	3 467	3 467	17 437	18 309	19 225
Payments in lieu of leave	18 148	4 467	6 638	16 536	14 748	14 748	17 127	17 983	18 882
Long service awards	—	(128)	(108)	2 354	1 109	1 109	1 657	1 740	1 827
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff	184 426	191 226	216 035	257 621	243 093	243 093	243 562	255 740	268 527
% increase	—	3.7%	13.0%	19.2%	(5.6%)	—	0.2%	5.0%	5.0%
Total Parent Municipality	211 475	218 026	250 421	289 959	275 509	275 509	304 225	319 437	335 409
		3.1%	14.9%	15.8%	(5.0%)	—	10.4%	5.0%	5.0%
Board Members of Entities									
Basic Salaries and Wages	—	—	—	—	—	—	—	—	—
Pension and UIF Contributions	—	—	—	—	—	—	—	—	—
Medical Aid Contributions	—	—	—	—	—	—	—	—	—
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	—	—	—	—	—	—	—	—	—
Cellphone Allowance	—	—	—	—	—	—	—	—	—
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—	—	—	—	—
Board Fees	—	—	—	—	—	—	—	—	—
Payments in lieu of leave	—	—	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
Sub Total - Board Members of Entities	—	—	—	—	—	—	—	—	—
% increase	—	—	—	—	—	—	—	—	—
Senior Managers of Entities									
Basic Salaries and Wages	—	—	—	—	—	—	—	—	—
Pension and UIF Contributions	—	—	—	—	—	—	—	—	—
Medical Aid Contributions	—	—	—	—	—	—	—	—	—
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	—	—	—	—	—	—	—	—	—
Cellphone Allowance	—	—	—	—	—	—	—	—	—
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—	—	—	—	—
Payments in lieu of leave	—	—	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities	—	—	—	—	—	—	—	—	—
% increase	—	—	—	—	—	—	—	—	—
Other Staff of Entities									
Basic Salaries and Wages	—	—	—	—	—	—	—	—	—
Pension and UIF Contributions	—	—	—	—	—	—	—	—	—
Medical Aid Contributions	—	—	—	—	—	—	—	—	—
Overtime	—	—	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	—	—	—	—	—	—	—	—	—
Cellphone Allowance	—	—	—	—	—	—	—	—	—
Housing Allowances	—	—	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—	—	—	—	—
Payments in lieu of leave	—	—	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—	—	—
Sub Total - Other Staff of Entities	—	—	—	—	—	—	—	—	—
% increase	—	—	—	—	—	—	—	—	—
Total Municipal Entities	—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS	211 475	218 026	250 421	289 959	275 509	275 509	304 225	319 437	335 409
% increase	—	3.1%	14.9%	15.8%	(5.0%)	—	10.4%	5.0%	5.0%
TOTAL MANAGERS AND STAFF	193 973	198 636	230 287	267 859	254 175	254 175	280 582	294 612	309 342

[illegible]



Maluti-A-Phofung Municipality Approved –Final Budget 2015 /2016
Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 50

FS194 Maluti-a-Phofung - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	2013/14			Current Year 2014/15			Budget Year 2015/16		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	65	11	54	71	13	58	71	13	58
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	6		6	8	–	8	9	–	9
Other Managers	25	25		43	42	1	43	42	1
Professionals	1 110	1 032	79	1 145	996	149	1 144	1 005	169
<i>Finance</i>	103	46	57	92	49	43	56	53	3
<i>Spatial/town planning</i>	46	46	1	38	38	–	37	37	–
<i>Information Technology</i>									
<i>Roads</i>	110	110	–	120	107	13	120	107	13
<i>Electricity</i>	49	49	–	70	60	10	106	66	40
<i>Water</i>									
<i>Sanitation</i>									
<i>Refuse</i>	269	269	–	247	247	–	247	247	30
<i>Other</i>	533	512	21	578	495	83	578	495	83
Technicians	5	5	–	2 777	4	2 773	2 778	5	2 773
<i>Finance</i>									
<i>Spatial/town planning</i>							1	1	–
<i>Information Technology</i>	5	5	–	4	4	–	4	4	–
<i>Roads</i>									
<i>Electricity</i>									
<i>Water</i>									
<i>Sanitation</i>									
<i>Refuse</i>									
<i>Other</i>				2 773	–	2 773	2 773	–	2 773
Clerks (Clerical and administrative)				26	25	1	26	25	1
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators									
Elementary Occupations									
TOTAL PERSONNEL NUMBERS	1 211	1 073	139	4 070	1 080	2 990	4 071	1 090	3 011
% increase				236.1%	0.7%	2 051.1%	0.0%	0.9%	0.7%
Total municipal employees headcount									
Finance personnel headcount									
Human Resources personnel headcount									



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2.9 Monthly targets for revenue, expenditure and cash flow

TABLE 51

FS194 Maluti-a-Phofung - Supporting Table SA25 Budgeted monthly revenue and expenditure															
Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source															
Property rates	5 340	5 393	5 447	5 502	5 557	5 612	5 669	5 725	5 782	5 840	5 899	205 233	267 000	280 350	294 368
Property rates - penalties & collection charges												-	-	-	
Service charges - electricity revenue	15 060	15 361	15 822	17 088	18 626	20 488	16 265	16 753	18 260	20 087	22 296	305 894	502 000	527 071	553 394
Service charges - water revenue	2 728	2 782	2 866	3 095	3 374	3 711	2 946	3 035	3 308	3 638	4 039	55 408	90 930	95 477	100 250
Service charges - sanitation revenue	1 197	1 221	1 258	1 358	1 480	1 628	1 293	1 332	1 451	1 597	1 772	24 313	39 900	41 895	43 990
Service charges - refuse revenue	960	979	1 009	1 089	1 187	1 306	1 037	1 068	1 164	1 280	1 421	19 499	32 000	33 600	35 280
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	43	43	45	48	53	58	46	47	52	57	63	865	1 419	1 490	1 565
Interest earned - external investments	75	77	79	85	93	102	81	83	91	100	111	1 523	2 500	2 625	2 756
Interest earned - outstanding debtors	600	612	630	681	742	816	648	667	728	800	888	12 187	20 000	21 000	22 050
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	600	612	630	681	742	816	648	667	728	800	888	12 187	20 000	21 000	22 050
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	122 605				160 000				171 439			-	454 044	468 002	478 181
Other revenue	14 819	15 116	15 569	16 815	18 328	20 161	16 005	16 485	17 969	19 766	21 940	301 007	493 979	518 678	544 612
Gains on disposal of PPE												-	-	-	-
Total Revenue (excluding capital transfers and	164 027	42 197	43 355	46 442	210 182	54 700	44 637	45 863	220 971	53 965	59 317	938 117	1 923 773	2 011 188	2 098 496
Expenditure By Type															
Employee related costs	19 641	20 034	20 635	22 285	24 291	26 720	21 212	21 848	23 815	26 196	29 078	24 828	280 582	294 612	309 342
Remuneration of councillors	1 655	1 688	1 739	1 878	2 047	2 252	1 787	1 841	2 007	2 207	2 450	2 092	23 643	24 825	26 066
Debt impairment	3 500	3 570	3 677	3 971	4 329	4 762	3 780	3 893	4 244	4 668	5 182	4 424	50 000	52 500	55 125
Depreciation & asset impairment	12 250	12 495	12 870	13 899	15 150	16 665	13 230	13 627	14 853	16 339	18 136	15 485	175 000	183 750	192 938
Finance charges	420	428	441	477	519	571	454	467	509	560	622	531	6 000	6 300	6 615
Bulk purchases	43 400	44 268	45 596	49 244	53 676	59 043	46 872	48 278	52 623	57 886	64 253	54 862	620 000	651 000	683 550
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	5 509	5 619	5 788	6 251	6 813	7 495	5 950	6 128	6 680	7 348	8 156	6 964	78 700	77 070	80 924
Transfers and grants	17 878	18 235	18 782	20 285	22 111	24 322	19 308	19 887	21 677	23 845	26 468	22 599	255 396	230 955	240 302
Other expenditure	20 206	20 610	21 228	22 926	24 990	27 488	21 822	22 477	24 500	26 950	29 914	25 542	288 651	303 671	319 128
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	124 458	126 947	130 756	141 216	153 926	169 318	134 415	138 447	150 907	165 998	184 258	157 326	1 777 973	1 824 683	1 913 990
Surplus/(Deficit)	39 569	(84 750)	(87 401)	(94 774)	56 256	(114 618)	(89 778)	(92 585)	70 064	(112 033)	(124 941)	780 791	145 800	186 505	184 506
Transfers recognised - capital	97 000		-		114 700		-		93 165	-		-	304 865	273 608	282 447
Contributions recognised - capital												-	-	-	-
Contributed assets												-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	136 569	(84 750)	(87 401)	(94 774)	170 956	(114 618)	(89 778)	(92 585)	163 229	(112 033)	(124 941)	780 791	450 665	460 113	466 953
Taxation												-	-	-	-
Attributable to minorities												-	-	-	-
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	136 569	(84 750)	(87 401)	(94 774)	170 956	(114 618)	(89 778)	(92 585)	163 229	(112 033)	(124 941)	780 791	450 665	460 113	466 953



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TABLE 52

FS194 Maluti-a-Phofung - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote															
Vote 1 - Legislative Authority												-	-	-	-
Vote 2 - Office of the Municipal Manager												-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office	236 027	16 697	17 089	18 072	273 955	20 676	17 636	18 051	263 818	20 611	22 290	605 210	1 530 133	1 551 395	1 610 902
Vote 5 - Municipal Infrastructure	4 886	4 983	5 133	5 544	6 043	6 647	5 277	5 435	5 924	6 516	7 233	99 239	162 859	171 002	179 553
Vote 6 - Community Services	46	46	48	52	56	62	49	51	55	61	67	925	1 518	1 593	1 673
Vote 7 - Public Safety	631	644	663	716	781	859	682	702	765	842	935	12 822	21 042	22 094	23 199
Vote 8 - Parks, Sports & Recreation	22	22	23	25	27	30	24	24	27	29	32	444	729	765	804
Vote 9 - LED & Tourism	180	184	189	204	223	245	194	200	218	240	266	3 656	6 000	6 300	6 615
Vote 10 - Human Settlement and Traditional Affairs	32	32	33	36	39	43	34	35	39	42	47	646	1 060	1 113	1 169
Vote 11 - Spatial Planning & Development	26	27	28	30	32	36	28	29	32	35	39	533	875	919	965
Vote 12 - Electricity Department	15 133	15 435	15 898	17 170	18 716	20 587	16 343	16 834	18 349	20 183	22 404	307 370	504 422	529 614	556 064
Vote 13 - Maluti Water (Pty) Ltd												-	-	-	-
Vote 14 - vote 14												-	-	-	-
Vote 15 - vote 15												-	-	-	-
Total Revenue by Vote	256 982	38 071	39 104	41 848	299 871	49 185	40 268	41 362	289 227	48 561	53 314	1 030 845	2 228 638	2 284 796	2 380 943
Expenditure by Vote to be appropriated															
Vote 1 - Legislative Authority	7 397	7 545	7 771	8 393	9 148	10 063	7 988	8 228	8 969	9 865	10 951	9 350	105 667	110 951	116 498
Vote 2 - Office of the Municipal Manager	2 231	2 276	2 344	2 532	2 759	3 035	2 410	2 482	2 705	2 976	3 303	2 820	31 874	33 468	35 142
Vote 3 - Corporate Services	1 773	1 809	1 863	2 012	2 193	2 412	1 915	1 972	2 150	2 365	2 625	2 241	25 331	26 598	27 928
Vote 4 - Budget & Treasury Office	39 836	40 633	41 852	45 200	49 268	54 195	43 023	44 314	48 302	53 132	58 977	50 357	569 089	555 355	581 195
Vote 5 - Municipal Infrastructure	7 663	7 817	8 051	8 695	9 478	10 426	8 276	8 525	9 292	10 221	11 345	9 687	109 477	114 950	120 698
Vote 6 - Community Services	819	835	861	929	1 013	1 114	885	911	993	1 092	1 213	1 035	11 701	12 286	12 900
Vote 7 - Public Safety	4 984	5 083	5 236	5 655	6 164	6 780	5 383	5 544	6 043	6 647	7 378	6 300	71 197	74 757	78 495
Vote 8 - Parks, Sports & Recreation	2 575	2 627	2 706	2 922	3 185	3 504	2 781	2 865	3 123	3 435	3 813	3 255	36 790	38 629	40 561
Vote 9 - LED & Tourism	2 138	2 181	2 246	2 426	2 645	2 909	2 309	2 379	2 593	2 852	3 166	2 703	30 546	32 074	33 677
Vote 10 - Human Settlement and Traditional Affairs	984	1 004	1 034	1 117	1 217	1 339	1 063	1 095	1 193	1 313	1 457	1 244	14 061	14 764	15 503
Vote 11 - Spatial Planning & Development	1 050	1 071	1 103	1 191	1 298	1 428	1 134	1 168	1 273	1 400	1 554	1 327	14 998	15 748	16 535
Vote 12 - Electricity Department	53 007	54 067	55 689	60 144	65 557	72 113	57 247	58 965	64 272	70 699	78 476	67 006	757 241	795 103	834 858
Vote 13 - Maluti Water (Pty) Ltd												-	-	-	-
Vote 14 - vote 14												-	-	-	-
Vote 15 - vote 15												-	-	-	-
Total Expenditure by Vote	124 458	126 947	130 756	141 216	153 926	169 318	134 415	138 447	150 907	165 998	184 258	157 326	1 777 973	1 824 683	1 913 990
Surplus/(Deficit) before assoc.	132 524	(88 876)	(91 651)	(99 368)	145 946	(120 133)	(94 147)	(97 085)	138 319	(117 437)	(130 944)	873 518	450 665	460 113	466 953
Taxation												-	-	-	-
Attributable to minorities												-	-	-	-
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	132 524	(88 876)	(91 651)	(99 368)	145 946	(120 133)	(94 147)	(97 085)	138 319	(117 437)	(130 944)	873 518	450 665	460 113	466 953



Maluti-A-Phofung Municipality Approved –Final Budget 2015 /2016
Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 53

FS194 Maluti-a-Phofung - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard															
<i>Governance and administration</i>	236 208	16 881	17 279	18 277	274 178	20 922	17 832	18 252	264 037	20 853	22 558	602 881	1 530 157	1 551 421	1 610 929
Executive and council													-	-	-
Budget and treasury office	236 208	16 881	17 279	18 277	274 178	20 922	17 832	18 252	264 037	20 853	22 558	602 856	1 530 133	1 551 395	1 610 902
Corporate services												24	24	26	27
<i>Community and public safety</i>	730	745	767	829	903	994	789	813	886	974	1 081	14 837	24 349	25 566	26 844
Community and social services	50	51	53	57	62	68	54	56	61	67	74	1 016	1 668	1 751	1 838
Sport and recreation	22	22	23	25	27	30	24	24	27	29	32	444	729	765	804
Public safety	631	644	663	716	781	859	682	702	765	842	935	12 822	21 042	22 094	23 199
Housing	27	28	29	31	34	37	29	30	33	36	40	555	910	956	1 003
Health												-	-	-	-
<i>Economic and environmental services</i>	26	27	28	30	33	36	29	29	32	35	39	536	880	924	970
Planning and development	26	27	28	30	32	36	28	29	32	35	39	533	875	919	965
Road transport	0	0	0	0	0	0	0	0	0	0	0	3	5	5	6
Environmental protection												-	-	-	-
<i>Trading services</i>	20 018	20 418	21 030	22 713	24 757	27 233	21 619	22 268	24 272	26 699	29 636	406 591	667 252	700 586	735 584
Electricity	15 133	15 435	15 898	17 170	18 716	20 587	16 343	16 834	18 349	20 183	22 404	307 370	504 422	529 614	556 064
Water	2 728	2 782	2 866	3 095	3 374	3 711	2 946	3 035	3 308	3 638	4 039	55 408	90 930	95 477	100 250
Waste water management	1 197	1 221	1 258	1 358	1 480	1 628	1 293	1 332	1 451	1 597	1 772	24 313	39 900	41 895	43 990
Waste management	960	979	1 009	1 089	1 187	1 306	1 037	1 068	1 164	1 280	1 421	19 499	32 000	33 600	35 280
<i>Other</i>												6 000	6 000	6 300	6 615
Total Revenue - Standard	256 982	38 071	39 104	41 848	299 871	49 185	40 268	41 362	289 227	48 561	53 314	1 030 845	2 228 638	2 284 796	2 380 943
Expenditure - Standard															
<i>Governance and administration</i>	51 848	52 885	54 472	58 830	64 124	70 537	55 996	57 676	62 867	69 154	76 761	65 541	740 690	735 536	770 386
Executive and council	8 891	9 068	9 340	10 088	10 996	12 095	9 602	9 890	10 780	11 858	13 162	11 239	127 009	133 359	140 027
Budget and treasury office	39 836	40 633	41 852	45 200	49 268	54 195	43 023	44 314	48 302	53 132	58 977	50 357	569 089	555 355	581 195
Corporate services	3 121	3 184	3 279	3 542	3 861	4 247	3 371	3 472	3 785	4 163	4 621	3 946	44 593	46 822	49 163
<i>Community and public safety</i>	9 362	9 550	9 836	10 623	11 579	12 737	10 111	10 415	11 352	12 487	13 861	11 835	133 749	140 437	147 458
Community and social services	1 322	1 349	1 389	1 500	1 635	1 799	1 428	1 471	1 603	1 763	1 957	1 671	18 888	19 833	20 824
Sport and recreation	2 575	2 627	2 706	2 922	3 185	3 504	2 781	2 865	3 123	3 435	3 813	3 255	36 790	38 629	40 561
Public safety	4 984	5 083	5 236	5 655	6 164	6 780	5 383	5 544	6 043	6 647	7 378	6 300	71 197	74 757	78 495
Housing	481	491	506	546	595	655	520	535	583	642	712	608	6 874	7 218	7 579
Health												-	-	-	-
<i>Economic and environmental services</i>	6 646	6 779	6 982	7 541	8 220	9 042	7 178	7 393	8 059	8 864	9 839	8 401	94 945	99 692	104 677
Planning and development	2 192	2 236	2 303	2 487	2 711	2 982	2 367	2 438	2 658	2 923	3 245	2 771	31 312	32 877	34 521
Road transport	4 454	4 543	4 680	5 054	5 509	6 060	4 811	4 955	5 401	5 941	6 595	5 631	63 633	66 815	70 155
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	55 605	56 717	58 419	63 092	68 770	75 647	60 053	61 855	67 422	74 164	82 322	70 290	794 356	834 074	875 778
Electricity	53 007	54 067	55 689	60 144	65 557	72 113	57 247	58 965	64 272	70 699	78 476	67 006	757 241	795 103	834 858
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	2 598	2 650	2 730	2 948	3 213	3 535	2 806	2 890	3 150	3 465	3 846	3 284	37 115	38 971	40 920
<i>Other</i>	996	1 016	1 047	1 130	1 232	1 355	1 076	1 108	1 208	1 329	1 475	1 259	14 232	14 944	15 691
Total Expenditure - Standard	124 458	126 947	130 756	141 216	153 926	169 318	134 415	138 447	150 907	165 998	184 258	157 326	1 777 973	1 824 683	1 913 990
Surplus/(Deficit) before assoc.	132 524	(88 876)	(91 651)	(99 368)	145 946	(120 133)	(94 147)	(97 085)	138 319	(117 437)	(130 944)	873 518	450 665	460 113	466 953
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	132 524	(88 876)	(91 651)	(99 368)	145 946	(120 133)	(94 147)	(97 085)	138 319	(117 437)	(130 944)	873 518	450 665	460 113	466 953



Maluti-A-Phofung Municipality Approved –Final Budget 2015 /2016
Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 54

FS194 Maluti-a-Phofung - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure to be appropriated															
Vote 1 - Legislative Authority												-	-	-	-
Vote 2 - Office of the Municipal Manager												-	-	-	-
Vote 3 - Corporate Services												-	-	-	-
Vote 4 - Budget & Treasury Office												-	-	-	-
Vote 5 - Municipal Infrastructure	28 432	29 000	29 870	32 260	35 163	38 680	30 706	31 627	34 474	37 921	42 092	35 940	406 165	382 608	344 947
Vote 6 - Community Services												-	-	-	-
Vote 7 - Public Safety												-	-	-	-
Vote 8 - Parks, Sports & Recreation												-	-	-	-
Vote 9 - LED & Tourism												-	-	-	-
Vote 10 - Human Settlement and Traditional Affairs												-	-	-	-
Vote 11 - Spatial Planning & Development												-	-	-	-
Vote 12 - Electricity Department												-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd												-	-	-	-
Vote 14 - vote 14												-	-	-	-
Vote 15 - vote 15												-	-	-	-
Capital multi-year expenditure sub-total	28 432	29 000	29 870	32 260	35 163	38 680	30 706	31 627	34 474	37 921	42 092	35 940	406 165	382 608	344 947
Single-year expenditure to be appropriated															
Vote 1 - Legislative Authority												-	-	-	-
Vote 2 - Office of the Municipal Manager	210	214	221	238	260	286	227	234	255	280	311	265	3 000	-	-
Vote 3 - Corporate Services												-	-	-	-
Vote 4 - Budget & Treasury Office	70	71	74	79	87	95	76	78	85	93	104	88	1 000	-	-
Vote 5 - Municipal Infrastructure												-	-	-	-
Vote 6 - Community Services												-	-	-	-
Vote 7 - Public Safety	2 835	2 892	2 978	3 217	3 506	3 857	3 062	3 154	3 437	3 781	4 197	3 584	40 500	-	-
Vote 8 - Parks, Sports & Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - LED & Tourism												-	-	-	-
Vote 10 - Human Settlement and Traditional Affairs												-	-	-	-
Vote 11 - Spatial Planning & Development												-	-	-	-
Vote 12 - Electricity Department												-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd												-	-	-	-
Vote 14 - vote 14												-	-	-	-
Vote 15 - vote 15												-	-	-	-
Capital single-year expenditure sub-total	3 115	3 177	3 273	3 534	3 853	4 238	3 364	3 465	3 777	4 155	4 612	3 938	44 500	-	-
Total Capital Expenditure	31 547	32 177	33 143	35 794	39 016	42 917	34 070	35 092	38 251	42 076	46 704	39 878	450 665	382 608	344 947



Maluti-A-Phofung Municipality Approved –Final Budget 2015 /2016
Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 55

FS194 Maluti-a-Phofung - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)															
Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard															
Governance and administration	280	286	294	318	346	381	302	311	340	373	415	354	4 000	-	-
Executive and council	210	214	221	238	260	286	227	234	255	280	311	265	3 000	-	-
Budget and treasury office	70	71	74	79	87	95	76	78	85	93	104	88	1 000	-	-
Corporate services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	5 736	5 851	6 027	6 509	7 094	7 804	6 195	6 381	6 955	7 651	8 493	7 251	81 947	34 400	33 000
Community and social services	995	1 015	1 046	1 129	1 231	1 354	1 075	1 107	1 207	1 327	1 473	1 258	14 217	2 000	5 000
Sport and recreation	1 906	1 944	2 003	2 163	2 357	2 593	2 059	2 120	2 311	2 542	2 822	2 410	27 231	32 400	28 000
Public safety	2 835	2 892	2 978	3 217	3 506	3 857	3 062	3 154	3 437	3 781	4 197	3 584	40 500	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	11 583	11 815	12 169	13 143	14 326	15 758	12 510	12 885	14 045	15 449	17 149	14 642	165 476	154 653	127 343
Planning and development	5 753	5 868	6 044	6 527	7 115	7 826	6 213	6 399	6 975	7 673	8 517	7 272	82 179	66 000	78 843
Road transport	5 831	5 947	6 126	6 616	7 211	7 932	6 297	6 486	7 070	7 777	8 632	7 371	83 296	88 653	48 500
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	13 561	13 832	14 247	15 387	16 772	18 449	14 646	15 085	16 443	18 087	20 077	17 142	193 728	188 155	179 004
Electricity	2 194	2 238	2 305	2 489	2 713	2 985	2 369	2 440	2 660	2 926	3 248	2 773	31 340	55 030	58 000
Water	7 453	7 602	7 830	8 456	9 218	10 139	8 049	8 291	9 037	9 941	11 034	9 421	106 471	101 125	96 504
Waste water management	2 654	2 707	2 788	3 012	3 283	3 611	2 867	2 953	3 218	3 540	3 929	3 355	37 917	32 000	24 500
Waste management	1 260	1 285	1 324	1 430	1 558	1 714	1 361	1 402	1 528	1 681	1 865	1 593	18 000	-	-
Other	386	394	406	438	477	525	417	429	468	515	571	488	5 514	5 400	5 600
Total Capital Expenditure - Standard	31 547	32 177	33 143	35 794	39 016	42 917	34 070	35 092	38 251	42 076	46 704	39 878	450 665	382 608	344 947
Funded by:															
National Government	17 351	17 698	18 228	19 687	21 459	23 604	18 739	19 301	21 038	23 142	25 687	21 933	247 865	249 608	258 447
Provincial Government												-	-	-	-
District Municipality												-	-	-	-
Other transfers and grants	3 990	4 070	4 192	4 527	4 935	5 428	4 309	4 438	4 838	5 322	5 907	5 044	57 000	24 000	24 000
Transfers recognised - capital	21 341	21 767	22 420	24 214	26 393	29 033	23 048	23 739	25 876	28 463	31 594	26 976	304 865	273 608	282 447
Public contributions & donations												-	-	-	-
Borrowing												-	-	-	-
Internally generated funds	10 206	10 410	10 722	11 580	12 622	13 885	11 022	11 353	12 375	13 612	15 110	12 901	145 800	109 000	62 500
Total Capital Funding	31 547	32 177	33 143	35 794	39 016	42 917	34 070	35 092	38 251	42 076	46 704	39 878	450 665	382 608	344 947



Maluti-A-Phofung Municipality Approved –Final Budget 2015 /2016 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

TABLE 56

FS194 Maluti-a-Phofung - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	18 690	19 064	19 636	21 207	23 115	25 427	20 185	20 791	22 662	24 928	27 670	23 626	267 000	280 350	294 368
Property rates - penalties & collection charges												-			
Service charges - electricity revenue	15 060	15 361	15 822	17 088	18 626	20 488	16 265	16 753	18 260	20 087	22 296	305 894	502 000	527 071	553 394
Service charges - water revenue	2 728	2 782	2 866	3 095	3 374	3 711	2 946	3 035	3 308	3 638	4 039	55 408	90 930	95 477	100 250
Service charges - sanitation revenue	1 197	1 221	1 258	1 358	1 480	1 628	1 293	1 332	1 451	1 597	1 772	24 313	39 900	41 895	43 990
Service charges - refuse revenue	960	979	1 009	1 089	1 187	1 306	1 037	1 068	1 164	1 280	1 421	19 499	32 000	33 600	35 280
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-			
Rental of facilities and equipment	43	43	45	48	53	58	46	47	52	57	63	865	1 419	1 490	1 565
Interest earned - external investments	75	77	79	85	93	102	81	83	91	100	111	1 523	2 500	2 625	2 756
Interest earned - outstanding debtors	600	612	630	681	742	816	648	667	728	800	888	12 187	20 000	21 000	22 050
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-			
Fines	600	612	630	681	742	816	648	667	728	800	888	12 187	20 000	21 000	22 050
Licences and permits												-			
Agency services												-			
Transfer receipts - operational	122 605				160 000				171 439			-	454 044	468 002	478 181
Other revenue	14 819	15 116	15 569	16 815	18 328	20 161	16 005	16 485	17 969	19 766	21 940	301 007	493 979	518 678	544 612
Cash Receipts by Source	177 377	55 867	57 543	62 147	227 740	74 514	59 154	60 928	237 851	73 053	81 089	756 510	1 923 773	2 011 188	2 098 496
Other Cash Flows by Source															
Transfer receipts - capital	97 000		-		94 700		-		73 165			40 000	304 865	273 608	282 447
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits												-			
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												2 500	2 500	-	-
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	274 377	55 867	57 543	62 147	322 440	74 514	59 154	60 928	311 016	73 053	81 089	799 010	2 231 138	2 284 796	2 380 943
Cash Payments by Type															
Employee related costs	19 641	20 034	20 635	22 285	24 291	26 720	21 212	21 848	23 815	26 196	29 078	24 828	280 582	294 612	309 342
Remuneration of councillors	1 655	1 688	1 739	1 878	2 047	2 252	1 787	1 841	2 007	2 207	2 450	2 092	23 643	24 825	26 066
Finance charges	420	428	441	477	519	571	454	467	509	560	622	531	6 000	6 300	6 615
Bulk purchases - Electricity	43 400	44 268	45 596	49 244	53 676	59 043	46 872	48 278	52 623	57 886	64 253	54 862	620 000	651 000	683 550
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-			
Other materials	-	-	-	-	-	-	-	-	-	-	-	-			
Contracted services	5 509	5 619	5 788	6 251	6 813	7 495	5 950	6 128	6 680	7 348	8 156	6 964	78 700	77 070	80 924
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-			
Transfers and grants - other	17 878	18 235	18 782	20 285	22 111	24 322	19 308	19 887	21 677	23 845	26 468	22 599	255 396	230 955	240 302
Other expenditure	20 206	20 610	21 228	22 926	24 990	27 488	21 822	22 477	24 500	26 950	29 914	25 542	288 651	303 671	319 128
Cash Payments by Type	108 708	110 882	114 209	123 345	134 446	147 891	117 405	120 927	131 810	144 991	160 940	137 417	1 552 973	1 588 433	1 665 927
Other Cash Flows/Payments by Type															
Capital assets	31 547	32 177	33 143	35 794	39 016	42 917	34 070	35 092	38 251	42 076	46 704	39 878	450 665	382 608	344 947
Repayment of borrowing	3 000					3 000						-	6 000	6 300	6 615
Other Cash Flows/Payments												-			
Total Cash Payments by Type	143 255	143 060	147 352	159 140	173 462	193 808	151 475	156 019	170 061	187 067	207 644	177 295	2 009 638	1 977 341	2 017 489
NET INCREASE/(DECREASE) IN CASH HELD	131 122	(87 192)	(89 808)	(96 993)	148 978	(119 294)	(92 321)	(95 091)	140 955	(114 014)	(126 556)	621 715	221 500	307 455	363 454
Cash/cash equivalents at the month/year begin:	3 000	134 122	46 930	(42 878)	(139 871)	9 107	(110 188)	(202 509)	(297 600)	(156 646)	(270 660)	(397 215)	3 000	224 500	531 955
Cash/cash equivalents at the month/year end:	134 122	46 930	(42 878)	(139 871)	9 107	(110 188)	(202 509)	(297 600)	(156 646)	(270 660)	(397 215)	224 500	224 500	531 955	895 409



2.10 Annual budgets and service delivery and budget implementation plans – internal departments

The SDBIP gives effect to the Integrated Development Plan and Budget of the municipality. It is the expression of the objectives of the MAP municipality with the expected outcomes which will be implemented by the administration (Directorates) within MAP municipality. It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It facilitates oversight of financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, The Executive Mayor/ Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Municipality. The Service Delivery Budget Implementation Plan (SDBIP) will be approved the Executive Mayor after the approval of the annual budget.

In terms of section 53(1) © (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is expected to be approved by the mayor within 28 days after the approval of the budget and In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval

The SDBIP must contain the following:

- Measurable objectives,
- Monthly Projections
- Service delivery strategies,
- Key outputs,
- Performance/service delivery indicators, and
- Performance/service delivery targets.

These plans will be used as justification for the allocation of funds, whether it is of a capital or an operational nature. It is important that Portfolio Committee members are involved in the compilation of these operational plans to ensure that they address political aspirations.



2.11 Contract having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

TABLE 57

FS194 Maluti-a-Phofung - Supporting Table SA33 Contracts having future budgetary implications

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
Municipal assets Insurance	95 117	30 000	30 000	31 500	33 075	34 729	36 465	38 288	40 203	42 213	44 324	46 540	
Indigent Register	3 185	500	-	-	-	-	-	-	-	-	-	-	
Photocopy Machines lease	965		-	-	-	-	-	-	-	-	-	-	
Landfill site Management	6 118		3 000	3 150	3 308	3 473	3 647	3 829	4 020	4 221	4 432	4 654	
Valuation roll/Credit control charges	5 077	2 000	3 400	3 570	3 749	3 936	4 133	4 339	4 556	4 784	5 023	5 275	
Revenue Enhancement	8 074	10 000	10 500	11 025	11 576	12 155	12 763	13 401	14 071	14 775	15 513	16 289	
Financial System	4 648	2 000	2 000	2 100	2 205	2 315	2 431	2 553	2 680	2 814	2 955	3 103	
Call outs	19 190	5 000	8 000	8 400	8 820	9 261	9 724	10 210	10 721	11 257	11 820	12 411	
Collection costs/printing consumer accounts	2 138	500	500	525	551	-	-	-	-	-	-	-	
Streetslights-energy efficient lighting	36 317	10 000	8 000	8 400	8 820	9 261	9 724	-	-	-	-	-	
Debt collectors	62 979	5 000	1 000	1 050	1 103	-	-	-	-	-	-	-	
VAT Review	-	-	1 000	-	-	-	-	-	-	-	-	-	
Compilation of Financial Statements	-	-	5 000	2 100	2 205	2 315	2 431	2 553	2 680	2 814	2 955	3 103	
Assets Verification	-	-	1 300	-	-	-	-	-	-	-	-	-	
Urban Renewal	-	-	5 000	5 250	5 513	5 788	6 078	6 381	6 700	7 036	7 387	7 757	
Contract 3 etc													-
Total Operating Expenditure Implication	243 808	65 000	78 700	77 070	80 924	83 233	87 395	81 554	85 632	89 914	94 409	99 130	1 166 769
Capital Expenditure Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication	243 808	65 000	78 700	77 070	80 924	83 233	87 395	81 554	85 632	89 914	94 409	99 130	1 166 769
Entities:													
Revenue Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-



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2.12 Capital Expenditure Detail

TABLE 58

FS194 Maluti-a-Phofung - Supporting Table SA34a Capital expenditure on new assets by asset class									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	296 873	255 241	249 154	213 010	245 417	245 417	282 538	279 208	229 104
Infrastructure - Road transport	56 594	48 066	16 554	40 075	53 329	53 329	83 296	88 653	48 500
Roads, Pavements & Bridges	56 594	48 066	16 554	40 075	53 329	53 329	83 296	88 653	48 500
Storm water									
Infrastructure - Electricity	58 979	19 585	41 971	35 790	41 058	41 058	31 340	52 030	54 000
Generation									
Transmission & Reticulation	57 379	19 585	24 107	25 000	38 500	38 500	23 000	50 000	50 000
Street Lighting	1 600	–	17 864	10 790	2 558	2 558	8 340	2 030	4 000
Infrastructure - Water	116 672	91 043	87 237	75 448	69 920	69 920	106 471	101 125	96 504
Dams & Reservoirs									
Water purification	–	–	–	–					
Reticulation	116 672	91 043	87 237	75 448	69 920	69 920	106 471	101 125	96 504
Infrastructure - Sanitation	59 299	90 017	97 961	55 925	74 930	74 930	37 917	32 000	24 500
Reticulation									
Sewerage purification	59 299	90 017	97 961	55 925	74 930	74 930	37 917	32 000	24 500
Infrastructure - Other	5 328	6 529	5 432	5 772	6 180	6 180	23 514	5 400	5 600
Waste Management							18 000		
Transportation									
Gas									
Other	5 328	6 529	5 432	5 772	6 180	6 180	5 514	5 400	5 600
Community	29 899	37 221	32 776	67 691	92 482	92 482	41 447	34 400	33 000
Parks & gardens									
Sportsfields & stadia	14 093	21 414	12 206	18 902	20 088	20 088	27 231	32 400	28 000
Swimming pools									
Community halls									
Libraries									
Recreational facilities				1 423	3 423	3 423			
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	2 163			8 000	10 606	10 606	8 499	2 000	5 000
Social rental housing									
Other	13 643	15 807	20 570	39 366	58 365	58 365	5 718	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	–	–	–	–	–	–	–	–	–
Housing development									
Other									
Other assets	39 382	21 825	2 232	25 000	18 200	18 200	126 679	66 000	78 843
General vehicles		6 981		500	5 400	5 400	40 000		
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	–	–	–	–	–	–	–	–	–
Computers - hardware/equipment	3 091	8 598	1 752	2 000	2 000	2 000	3 000		
Furniture and other office equipment	3 937	330	480	2 000	500	500	1 000		
Abattoirs									
Markets									
Civic Land and Buildings	–	–	–						
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)	–	–	–						
Other	32 353	5 917		20 500	10 300	10 300	82 679	66 000	78 843
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on new assets	366 153	314 287	284 163	305 701	356 099	356 099	450 665	379 608	340 947
Specialised vehicles	–	–	–	–	–	–	–	–	–
Refuse									
Fire									
Conservancy									
Ambulances									



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TABLE 59

FS194 Maluti-a-Phofung - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	–	–	–	–	–	–	–	3 000	4 000
Infrastructure - Road transport	–	–	–	–	–	–	–	–	–
Roads, Pavements & Bridges									
Storm water									
Infrastructure - Electricity	–	–	–	–	–	–	–	3 000	4 000
Generation									
Transmission & Reticulation							–	3 000	4 000
Street Lighting									
Infrastructure - Water	–	–	–	–	–	–	–	–	–
Dams & Reservoirs									
Water purification									
Reticulation									
Infrastructure - Sanitation	–	–	–	–	–	–	–	–	–
Reticulation									
Sewerage purification									
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Waste Management									
Transportation									
Gas									
Other									
Community	2 000	2 500	6 208	2 608	2 203	2 203	–	–	–
Parks & gardens		–							
Sportsfields & stadia		–							
Swimming pools		–							
Community halls	2 000	2 500	6 208	2 608	2 203	2 203	–	–	–
Libraries		–							
Recreational facilities		–							
Fire, safety & emergency		–							
Security and policing		–							
Buses		–							
Clinics		–							
Museums & Art Galleries		–							
Cemeteries		–							
Social rental housing		–							
Other		–							
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	–	–	–	–	–	–	–	–	–
Housing development									
Other									
Other assets	1 563	–	–	–	–	–	–	–	–
General vehicles									
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	1 563								
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on renewal of existing	3 563	2 500	6 208	2 608	2 203	2 203	–	3 000	4 000
Specialised vehicles	–	–	–	–	–	–	–	–	–
Refuse									
Fire									
Conservancy									
Ambulances									
Renewal of Existing Assets as % of total capex	1.0%	0.8%	2.1%	0.8%	0.6%	0.6%	0.0%	0.8%	1.2%
Renewal of Existing Assets as % of deprecn"	0.8%	1.2%	2.9%	1.7%	2.2%	2.2%	0.0%	1.6%	2.1%



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TABLE 60

FS194 Maluti-a-Phofung - Supporting Table SA34c Repairs and maintenance expenditure by asset class									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	38 257	72 343	62 659	56 600	66 100	66 100	84 061	88 264	92 677
Infrastructure - Road transport	27 026	40 928	46 446	35 100	35 100	35 100	46 000	48 300	50 715
Roads, Pavements & Bridges	26 990	40 872	46 381	35 000	35 000	35 000	40 000	42 000	44 100
Storm water	36	57	65	100	100	100	6 000	6 300	6 615
Infrastructure - Electricity	11 231	31 414	16 213	21 500	31 000	31 000	38 061	39 964	41 962
Generation									
Transmission & Reticulation	3 828	12 814	7 720	9 000	19 000	19 000	24 000	25 200	26 460
Street Lighting	7 403	18 600	8 494	12 500	12 000	12 000	14 061	14 764	15 502
Infrastructure - Water									
Dams & Reservoirs									
Water purification									
Reticulation									
Infrastructure - Sanitation									
Reticulation									
Sewerage purification									
Infrastructure - Other									
Waste Management									
Transportation									
Gas									
Other									
Community	602	1 631	1 665	300	100	100	108	113	119
Parks & gardens	497	799	1 665	300	100	100	108	113	119
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other	105	833							
Heritage assets									
Buildings									
Other									
Investment properties									
Housing development									
Other									
Other assets	4 049	5 826	7 861	22 643	7 865	7 865	16 376	17 194	18 054
General vehicles	2 805	3 828	3 709	7 222	6 000	6 000	4 000	4 200	4 410
Specialised vehicles									
Plant & equipment	195	149	414	538	120	120	500	525	551
Computers - hardware/equipment	19	29	32	823	50	50	800	840	882
Furniture and other office equipment	361		45	947	60	60	300	315	331
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	382	1 290	2 570	10 275	1 035	1 035	4 000	4 200	4 410
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	288	531	1 090	2 838	600	600	6 776	7 114	7 470
Agricultural assets									
List sub-class									
Biological assets									
List sub-class									
Intangibles									
Computers - software & programming									
Other (list sub-class)									
Total Repairs and Maintenance Expenditure	42 908	79 800	72 185	79 543	74 065	74 065	100 545	105 572	110 850
Specialised vehicles									
Refuse									
Fire									
Conservancy									
Ambulances									
R&M as a % of PPE	1.0%	2.8%	2.5%	1.7%	2.6%	2.6%	3.7%	3.7%	3.7%
R&M as % Operating Expenditure	1.9%	6.0%	5.2%	6.4%	5.9%	5.9%	5.7%	5.8%	5.8%



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TABLE 61

FS194 Maluti-a-Phofung - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure							
Vote 1 - Legislative Authority	-	-	-				
Vote 2 - Office of the Municipal Manager	3 000	-	-				
Vote 3 - Corporate Services	-	-	-				
Vote 4 - Budget & Treasury Office	1 000	-	-				
Vote 5 - Municipal Infrastructure	406 165	382 608	344 947	362 194	380 304	399 319	
Vote 6 - Community Services	-	-	-				
Vote 7 - Public Safety	40 500	-	-				
Vote 8 - Parks, Sports & Recreation	-	-	-				
Vote 9 - LED & Tourism	-	-	-				
Vote 10 - Human Settlement and Traditional Affair	-	-	-				
Vote 11 - Spatial Planning & Development	-	-	-				
Vote 12 - Electricity Department	-	-	-				
Vote 13 - Maluti Water (Pty) Ltd	-	-	-				
Vote 14 - vote 14	-	-	-				
Vote 15 - vote 15	-	-	-				
<i>List entity summary if applicable</i>							
Total Capital Expenditure	450 665	382 608	344 947	362 194	380 304	399 319	-
Future operational costs by vote							
Vote 1 - Legislative Authority	105 667	110 951	116 498	122 323	128 439	134 861	
Vote 2 - Office of the Municipal Manager	31 874	33 468	35 142	36 899	38 744	40 681	
Vote 3 - Corporate Services	25 331	26 598	27 928	29 324	30 790	32 330	
Vote 4 - Budget & Treasury Office	569 089	555 355	581 195	610 255	640 768	672 806	
Vote 5 - Municipal Infrastructure	109 477	114 950	120 698	126 733	133 069	139 723	
Vote 6 - Community Services	11 701	12 286	12 900	13 545	14 223	14 934	
Vote 7 - Public Safety	71 197	74 757	78 495	82 420	86 541	90 868	
Vote 8 - Parks, Sports & Recreation	36 790	38 629	40 561	42 589	44 718	46 954	
Vote 9 - LED & Tourism	30 546	32 074	33 677	35 361	37 129	38 986	
Vote 10 - Human Settlement and Traditional Affair	14 061	14 764	15 503	16 278	17 092	17 946	
Vote 11 - Spatial Planning & Development	14 998	15 748	16 535	17 362	18 230	19 141	
Vote 12 - Electricity Department	757 241	795 103	834 858	876 601	920 431	966 453	
Vote 13 - Maluti Water (Pty) Ltd				-	-	-	
Vote 14 - vote 14							
Vote 15 - vote 15							
<i>List entity summary if applicable</i>							
Total future operational costs	1 777 973	1 824 683	1 913 990	2 009 689	2 110 173	2 215 682	-
Future revenue by source							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
<i>Transfers- operational</i>							
<i>List entity summary if applicable</i>							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	2 228 638	2 207 291	2 258 937	2 371 883	2 490 478	2 615 001	-

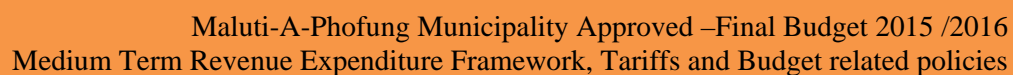


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TABLE 62

FS194 Maluti-a-Phofung - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Interventions Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes			2015/16 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2013/14	Current Year 2014/15 Forecast	Full Year 2015/16	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																	
PROJECT MANAGEMENT UNIT (MG)		SEDIBA HALL				Community	Community halls	29 1 15		6 208	2 203	-	-	-	-	ward 1	new
PROJECT MANAGEMENT UNIT (EPWP)		INCENTIVE GRANTS FOR MUNICIPALITY (EPWP)				Community	Other			12 570	4 866	5 718	-	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		EPWP MAYORAL PROJECT				Community	Other			-	-	-	-	-	-	all wards	new
PROJECT MANAGEMENT UNIT (HUMAN SETTLEMENTS)		SCHOONPLATZ HUMAN SETTLEMENTS				Community	Housing development			-	49 000	-	-	-	-	ward 22	new
PROJECT MANAGEMENT UNIT (MG)		FENCING AND INFRA AT CEMETERIES 1 &				Community	Cemeteries	28 50 8		-	3 755	7 349	2 000	4 000	34, 1 and 3	new	new
PROJECT MANAGEMENT UNIT (MG)		FENCING OF CEMETERIES PHASE 2				Community	Cemeteries			-	2 000	1 149	-	1 000	ward 22	new	new
PROJECT MANAGEMENT UNIT (MG)		FENCING AND INFRA AT CEMETERIES 1B				Community	Cemeteries	28 50 8		8 000	-	-	-	-	-	all wards	new
PROJECT MANAGEMENT UNIT (MG)		BLUEGUMBOSCH STADIUM				Community	Sportsfields & stadia	28 50 51		-	3 047	-	-	-	-	ward 1	new
PROJECT MANAGEMENT UNIT (MG)		INTABAZWE STADIUM				Community	Sportsfields & stadia			-	5 000	7 264	11 000	15 000	ward 1	new	new
PROJECT MANAGEMENT UNIT (MG)		INTABAZWEHARRIS INFRASTRUCTURE FACILITY				Community	Recreational facilities			-	-	-	-	-	-	ward 1	new
PROJECT MANAGEMENT UNIT (MG)		INTABAZWE NEW INDOOR RECREATIONAL FACILITY				Community	Recreational facilities	29 7 28		7 600	12 040	9 102	2 400	4 000	ward 1	new	new
PROJECT MANAGEMENT UNIT (MG)		NEW INDOOR AND RECREATIONAL FACILITY				Community	Recreational facilities	28 50 11		4 606	3 423	-	-	-	-	ward 27	new
PROJECT MANAGEMENT UNIT (MG)		INTABAZWE NEW INDOOR RECREATIONAL FACILITY PHASE 2				Community	Recreational facilities			-	-	3 000	6 000	6 000	ward 5	new	new
PROJECT MANAGEMENT UNIT (MG)		BLUEGUMBOSCH NEW INDOOR RECREATIONAL FACILITY				Community	Recreational facilities			-	-	7 865	13 000	3 000	ward 34	new	new
PROJECT MANAGEMENT UNIT (MG)		HARRISMITH UPGRADING OF CLUBHOUSE				Community	Recreational facilities			-	-	3 200	5 000	7 000	ward 22	new	new
PROJECT MANAGEMENT UNIT (D&E)		ELECTRIFICATION D&E				Infrastructure - Electricity	Transmission & Reliculation			20 000	11 300	20 000	20 000	20 000	all wards	new	new
PROJECT MANAGEMENT UNIT (EDSMG)		DEMAND SIDE MANAGEMENT D&E				Infrastructure - Electricity	Transmission & Reliculation			-	-	3 000	6 000	6 000	ward 5	new	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		UPGRADING/REPAIRS OF SUBSTATION				Infrastructure - Electricity	Transmission & Reliculation			-	-	19 200	-	3 000	4 000	ward 22	new
PROJECT MANAGEMENT UNIT (MG)		Maluti-a-Phofung 153 High mast lights in 4 towns				Infrastructure - Electricity	Street Lighting	28 41 39		17 864	2 558	8 340	2 030	4 000	ward 5	new	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		HIGHVOLTAGE LINES IN HARRISMITH				Infrastructure - Electricity	Street Lighting			-	-	8 000	-	-	-	ward 22	new
PROJECT MANAGEMENT UNIT (D&E)		CONSTRUCTION OF MASALEM SUBSTATION				Infrastructure - Electricity	Transmission & Reliculation			-	-	-	-	24 000	24 000	ward 12	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		INTEGRATED ENERGY CENTRE				Infrastructure - Electricity	Transmission & Reliculation			1 325	-	-	-	-	-	ward 12	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		FOOTBRIDGES MAP				Infrastructure - Road transport	Roads, Pavements & Bridges			-	4 000	4 000	-	-	-	10,12,14,29,31	new
PROJECT MANAGEMENT UNIT (MG)		Kestell (Tholong): 5km New paved roads phase 5				Infrastructure - Road transport	Roads, Pavements & Bridges	28 41 39		500	4 903	8 097	9 000	8 000	8 000	ward 3	new
PROJECT MANAGEMENT UNIT (MG)		Maluti-a-Phofung Phuthadihaba: Paving of Roads 14.5km) Phase 3				Infrastructure - Road transport	Roads, Pavements & Bridges	28 50 11		500	5 258	9 161	9 000	9 000	9 000	ward 29	new
PROJECT MANAGEMENT UNIT (MG)		ROAD SCHOONPLATZ				Infrastructure - Road transport	Roads, Pavements & Bridges			-	2 000	-	-	-	-	ward 5	new
PROJECT MANAGEMENT UNIT (MG)		INTABAZWE EXT 3 ROADS PHASE 1				Infrastructure - Road transport	Roads, Pavements & Bridges	29 6 14		7 081	756	-	-	-	-	ward 5	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		RESURFACING OF ROADS TAR				Infrastructure - Road transport	Roads, Pavements & Bridges	28 50 11		-	-	-	5 000	5 000	5 000	ward 5	new
PROJECT MANAGEMENT UNIT (MG)		Disaster Park: Paving of 4.5km roads - Phase 3				Infrastructure - Road transport	Roads, Pavements & Bridges	28 51 41		-	2 633	8 000	8 000	8 000	8 000	ward 32	new
PROJECT MANAGEMENT UNIT (MG)		INTABAZWE PAVED ROADS 2				Infrastructure - Road transport	Roads, Pavements & Bridges	29 6 47		1 191	462	-	-	-	-	ward 5	new
PROJECT MANAGEMENT UNIT (MG)		Tshilene B: Paving of 6km roads - Phase 2B				Infrastructure - Road transport	Roads, Pavements & Bridges			650	-	3 500	8 500	4 000	ward 1	new	new
PROJECT MANAGEMENT UNIT (MG)		Namabadi: Construction of Paved Roads and Storm water: Owa Rural: Paving				Infrastructure - Road transport	Roads, Pavements & Bridges	28 55 30		6 000	12 197	6 039	13 153	10 000	ward 18	new	new
PROJECT MANAGEMENT UNIT (MG)		INTERMODAL COMMUTER FACILITY (INTABAZWE)				Infrastructure - Road transport	Other	29 7 28		-	2 100	6 979	9 000	7 843	ward 5	new	new
PROJECT MANAGEMENT UNIT (MG)		INTERNET COMMUTER FACILITY (PHUTHADIHABA) PHASE 1				Infrastructure - Road transport	Other	29 7 28		-	5 000	9 000	12 000	14 000	ward 27	new	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		TURFONTEINMUKENENG INTERNAL PAVED ROADS PHASE 2				Infrastructure - Road transport	Roads, Pavements & Bridges			632	4 000	-	-	-	-	ward 16	new
PROJECT MANAGEMENT UNIT (MG)		MACHEKUNG INFRASTRUCTURE				Infrastructure - Road transport	Roads, Pavements & Bridges			-	8 000	10 000	-	-	-	ward 27	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Mohabeng street - Rebuilt				Infrastructure - Road transport	Roads, Pavements & Bridges			-	-	-	28 000	-	-	ward 27	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Roads Honeyville & Matshekeng (Paved Roads 1.5km) Phase 1				Infrastructure - Road transport	Roads, Pavements & Bridges			-	-	3 500	4 500	-	-	ward 31	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Phuthadihaba paved roads - 1.25 km				Infrastructure - Road transport	Roads, Pavements & Bridges			-	-	3 500	-	3 500	ward 29	new	new
PROJECT MANAGEMENT UNIT (MG)		Harrismith / Intabazwe Ext. 3: Sewer Outfall Line and Rising Main				Infrastructure - Sanitation	Sewerage purification			-	-	3 500	8 000	10 000	ward 1	new	new
PROJECT MANAGEMENT UNIT (RHIG)		360 VIP TOILETS (RHIG)				Infrastructure - Sanitation	Sewerage purification			-	4 500	4 500	5 000	5 500	all wards	new	new
PROJECT MANAGEMENT UNIT (MG)		VIP TOILET PROJECT PHASE 10				Infrastructure - Sanitation	Sewerage purification	28 50 11		15 213	1 935	-	-	-	-	ward 5	new
PROJECT MANAGEMENT UNIT (MG)		VIP TOILET PROJECT PHASE 11				Infrastructure - Sanitation	Sewerage purification	28 44 19		36 437	46 248	4 000	-	-	-	ward 3	new
PROJECT MANAGEMENT UNIT (MG)		WILGE WASTE WATER TREATMENTWORKS PHASE 1				Infrastructure - Sanitation	Sewerage purification			-	9 007	3 000	5 000	5 000	ward 6	new	new
PROJECT MANAGEMENT UNIT (MG)		INTABAZWEHARRISMITH WASTE WATER TREATMENT WORKS - SEWER OUTFALL				Infrastructure - Sanitation	Sewerage purification	29 5 47		37 000	10 009	-	-	-	-	ward 5, ward 22	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		MANDELA PARK SANITATION 650 STANDS				Infrastructure - Sanitation	Sewerage purification	29 6 18		5 305	-	-	16 000	-	-	ward 1	new
PROJECT MANAGEMENT UNIT (MG)		LUSAKA SEWERAGE				Infrastructure - Sanitation	Sewerage purification	28 49 33		4 006	6 739	840	-	1 000	ward 33	new	new
PROJECT MANAGEMENT UNIT (MG)		SEWER NETWORKS-QWAQWAHARRIS				Infrastructure - Sanitation	Sewerage purification			-	3 000	10 000	-	-	-	ward 24 & 30	new
PROJECT MANAGEMENT UNIT (DWA)		STERKfontein/QWAQWA BULK WATER SCHEME				Infrastructure - Water	Transmission & Reliculation			50 507	34 689	52 000	53 000	47 000	2 towns	new	new
PROJECT MANAGEMENT UNIT (MG)		KESTELL/THOLONG WATER TOTAL SOLUTION				Infrastructure - Water	Dams & Reservoirs	28 42 0		9 768	1 293	-	-	-	-	ward 3	new
PROJECT MANAGEMENT UNIT (MG)		MAKHOLOKWENG RESERVOIR				Infrastructure - Water	Dams & Reservoirs	290 6' 18"		8 600	2 037	-	-	-	-	ward 1	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Malibholokweng water networks				Infrastructure - Water	Transmission & Reliculation	29 6 18		3 000	-	4 000	9 000	-	-	ward 1	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		WATER PROCESSES				Infrastructure - Water	Water purification			-	1 500	-	-	-	-	all wards	new
PROJECT MANAGEMENT UNIT (MG)		QWAQWA RURAL: WATER NETWORK PHASE 3				Infrastructure - Water	Transmission & Reliculation	28 48 29		10 251	9 800	-	-	-	-	Qwaqwa rural area	new
PROJECT MANAGEMENT UNIT (MG)		QWAQWA RURAL: WATER NETWORK PHASE 3 (B)				Infrastructure - Water	Transmission & Reliculation	28 48 29		2 614	6 300	-	-	-	-	Qwaqwa rural area	new
PROJECT MANAGEMENT UNIT (MG)		QWAQWA RURAL: WATER NETWORK PHASE 3 (C)				Infrastructure - Water	Transmission & Reliculation	28 48 29		2 498	5 300	-	-	-	-	Qwaqwa rural area	new
PROJECT MANAGEMENT UNIT (DWS)		DWA-FIKA PATSO				Infrastructure - Water	Water purification			-	6 000	5 600	2 000	6 504	Qwaqwa	new	new
PROJECT MANAGEMENT UNIT (MG)		Intabazwe: Construction of a Reservoir and pump station				Infrastructure - Water	Dams & Reservoirs			-	-	3 200	7 000	10 000	ward 5	new	new
PROJECT MANAGEMENT UNIT (MG)		INTABAZWEHARRISMITH EXT 3 BULK WATER				Infrastructure - Water	Transmission & Reliculation			-	-	1 424	5 800	6 000	ward 1	new	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		Tholong water network connection				Infrastructure - Water	Transmission & Reliculation			-	-	4 800	-	-	-	ward 3	new
PROJECT MANAGEMENT UNIT (MG)		Wilge: Construction of a 4 MI Reservoir				Infrastructure - Water	Dams & Reservoirs			-	-	3 800	7 000	10 000	ward 22	new	new
PROJECT MANAGEMENT UNIT (MG)		Phuthadihaba: Provision of water services for network extensions and 3907 erf connections				Infrastructure - Water	Transmission & Reliculation			-	-	10 188	10 000	10 000	13 and 25	new	new
PROJECT MANAGEMENT UNIT (MG)		Phuthadihaba: Provision of water services for network extensions and 2940 erf connections				Infrastructure - Water	Transmission & Reliculation			-	-	10 447	6 000	5 000	ward 17	new	new
PROJECT MANAGEMENT UNIT (MG)		Phuthadihaba: Provision of water services for network extensions and 3346 erf connections				Infrastructure - Water	Transmission & Reliculation			-	-	6 435	1 325	1 000	9 and 28	new	new
PROJECT MANAGEMENT UNIT (MG)		Kestell (Tholong): Upgrading of water networks system Bulk Water Services				Infrastructure - Water	Transmission & Reliculation			-	-	577	-	1 000	ward 3	new	new
WASTE MANAGEMENT (OWN SOURCE)		REHABILITATION OF LANDFILL SITES				Community	Waste Management			-	-	1 000	-	-	-	ward 27	new
WASTE MANAGEMENT (D&E)		ESTABLISHMENT OF LANDFILL SITE				Community	Waste Management			-	-	17 000	-	-	-	ward 34	new
PROJECT MANAGEMENT UNIT (MG)		PROJECT MANAGEMENT UNIT				Infrastructure - Other	PMU	28 49 33		5 432	6 180	5 514	5 400	5 600	-	new	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)		FLEET VEHICLE & EQUIPMENT FOR ROAD CONSTRUCTION / MAINTENANCE				Other Assets	Specialised vehicles - Refuse			-	5 000	20 000	-	-	-	new	new
PROJECT MANAGEMENT UNIT (MG)		CCTV CAMERAS				Other Assets	Computers - software & programming			2 782	-	-	-	-	-	new	new
PUBLIC SAFETY & TRANSPORT		COMMUNICATION SYSTEM				Other Assets	Computers - hardware/equipment			-	300	500	-	-	-	new	new
INFORMATION TECHNOLOGY		COMPUTER & EQUIPMENT				Other Assets	Furniture and other office equipment			-	2 000	3 000	-	-	-	new	new
BUDGET & TREASURY OFFICE		FURNITURE				Other Assets	Furniture and other office equipment			480	500	1 000	-	-	-	new	new
PUBLIC SAFETY & TRANSPORT		VEHICLE				Other Assets	General vehicles			-	400	-	-	-	-	new	new
EXECUTIVE AND COUNCIL		MALUTI CONTRACTOR DEVELOPMENT PROGRAMME				Other Assets	General vehicles			-	10 000	2 000	35 000	45 000	-	new	new
PUBLIC SAFETY & TRANSPORT		HARRISMITH LOGISTIC HUB				Other	Other			-	-	-	3 000	4 000	-	new	new
MUNICIPAL INFRASTRUCTURE		INFRASTRUCTURE PLANS				Other	Other			-	-	-	5 000	5 000	-	new	new
Parent Capital expenditure	1									290 371	358 302	328 665	385 608	347 947			
Entities:																	
<i>List all capital projects grouped by Entity</i>																	
Entity A																	
Water project A																	
Entity B																	
Electricity project B																	
Entity Capital expenditure										-	-	-	-	-	-		
Total Capital expenditure										290 371	358 302	328 665	385 608	347 947			



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2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website
2. Preparation of the annual Budget and adjustments budget
3. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and 10 interns were employed who will be undergoing training in various divisions of the Financial Services Department, one left and six of them were permanently employed.
4. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
5. Audit Committee
An Audit Committee has been established and is fully functional.
6. Service Delivery Implementation Plan
The detail SDBIP documents for the second quarter will be submitted to council and are directly aligned and informed by the 2015/2016 MTREF.
7. Policies

An amendment of the Municipal Supply Chain Policy was announced in Government Gazette 34350 on 08 June 2011. The ratios as prescribed in the Regulations have been complied with.

As we however converted to GAMAP/GRAP in 2006 already certain aspects off the legislation is applicable to Maluti - A - Phofung and as such the Asset Register is currently our only challenge in achieving full compliance.



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2.14 Other supporting documents

TABLE 64

FS194 Maluti-a-Phofung - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	733 894	726 571	783 787	819 100	761 290	761 290	851 000	893 550	938 228
less Revenue Foregone	561 394	579 421	616 242	614 600	619 600	619 600	584 000	613 200	643 860
Net Property Rates	172 501	147 150	167 544	204 500	141 690	141 690	267 000	280 350	294 368
Service charges - electricity revenue									
Total Service charges - electricity revenue	231 467	230 006	253 150	450 000	500 000	500 000	502 000	527 071	553 394
less Revenue Foregone				50 000	50 000	50 000			
Net Service charges - electricity revenue	231 467	230 006	253 150	400 000	450 000	450 000	502 000	527 071	553 394
Service charges - water revenue									
Total Service charges - water revenue	52 543	50 191	61 987	77 850	89 398	89 398	90 930	95 477	100 250
less Revenue Foregone				7 350	2 798	2 798			
Net Service charges - water revenue	52 543	50 191	61 987	70 500	86 600	86 600	90 930	95 477	100 250
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	26 130	28 885	31 329	33 735	46 158	46 158	39 900	41 895	43 990
less Revenue Foregone				735	8 158	8 158			
Net Service charges - sanitation revenue	26 130	28 885	31 329	33 000	38 000	38 000	39 900	41 895	43 990
Service charges - refuse revenue									
Total refuse removal revenue	20 899	21 346	21 688	25 525	34 164	34 164	32 000	33 600	35 280
Total landfill revenue									
less Revenue Foregone				525	5 164	5 164			
Net Service charges - refuse revenue	20 899	21 346	21 688	25 000	29 000	29 000	32 000	33 600	35 280
Other Revenue by source									
Advertisement signs	47	87	50	100	250	250	2 005	2 105	2 211
Medical aid income	371	394	441	1 000	300	300	370	389	408
Building Plans Fees	195	218	143	260	204	204	405	425	447
Cemetery Fees	258	251	267		300	300	824	865	908
Commission received	288	198	229	100	50	50	50	53	55
Disconnections/Final reading & reconnections	555	527	372	378	1 500	1 500	250	263	276
Connections: Pre-paid Meters	5	10		250	100	100	100	105	110
Fair Value Adjustment	624 741	86	106						
Insurance claims	1 003	107	494						
Sale of Tender documents	282	350	228		410	410	406	426	448
INCOME RECEIVED FROM OLD DEBT				75 000	75 000	75 000	475 637	499 419	524 389
Other Revenue by source (incl. fair value adjust)	99 754	9 716	2 737	5 312	9 941	9 941	13 933	14 629	15 361
Total 'Other' Revenue	727 499	11 945	5 068	82 399	88 055	88 055	493 979	518 678	544 612
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	118 248	126 958	145 351	176 388	152 753	152 753	192 996	202 646	212 778
Pension and UIF Contributions	19 693	21 169	18 153	31 853	26 682	26 682	20 398	21 418	22 489
Medical Aid Contributions	5 885	6 803	8 683	11 700	8 855	8 855	12 507	13 132	13 789
Overtime	10 098	12 223	20 221	12 736	40 235	40 235	3 710	3 896	4 090
Performance Bonus									
Motor Vehicle Allowance	3 801	2 089	2 135	8 871	4 997	4 997	12 288	12 903	13 548
Cellphone Allowance	417	391	480	847	769	769	949	996	1 046
Housing Allowances	516	595	652	1 480	933	933	1 073	1 127	1 183
Other benefits and allowances	17 167	23 648	28 081	5 093	3 093	3 093	17 877	18 770	19 709
Payments in lieu of leave	18 148	4 889	6 638	16 536	14 748	14 748	17 127	17 983	18 882
Long service awards		(128)	(108)	2 354	1 109	1 109	1 657	1 740	1 827
Post-retirement benefit obligations									
sub-total	193 973	198 636	230 287	267 859	254 175	254 175	280 582	294 612	309 342
Less: Employees costs capitalised to PPE									
Total Employee related costs	193 973	198 636	230 287	267 859	254 175	254 175	280 582	294 612	309 342



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Contributions recognised - capital									
<i>List contributions by contract</i>									
Total Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	458 715	214 697	215 725	150 000	100 000	100 000	175 000	183 750	192 938
Lease amortisation									
Capital asset impairment									
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	458 715	214 697	215 725	150 000	100 000	100 000	175 000	183 750	192 938
Bulk purchases									
Electricity Bulk Purchases	374 012	353 257	282 062	350 000	400 000	400 000	620 000	651 000	683 550
Water Bulk Purchases									
Total bulk purchases	374 012	353 257	282 062	350 000	400 000	400 000	620 000	651 000	683 550
Transfers and grants									
Cash transfers and grants	74 387	77 723	80 000	88 500	88 500	88 500	115 440	84 000	86 000
Non-cash transfers and grants	-	-	-	-	-	-	139 957	146 955	154 302
Total transfers and grants	74 387	77 723	80 000	88 500	88 500	88 500	255 396	230 955	240 302
Contracted services									
Municipal assets Insurance	33 322	30 148	31 647	30 000	40 200	40 200	30 000	31 500	33 075
Indigent Register	1 511	1 249	425	500	1 000	1 000	-	-	-
Photocopy Machines lease	965						-	-	-
Landfill site Management	1 650	2 169	2 299		2 340	2 340	3 000	3 150	3 308
Valuation roll/Credit control charges	3 235	548	1 295	2 000	5 000	5 000	3 400	3 570	3 749
Revenue Enhancement	-	7 579	494	10 000	9 000	9 000	10 500	11 025	11 576
Financial System	1 374	1 669	1 605	2 000	3 000	3 000	2 000	2 100	2 205
Call outs	-	12 596	6 594	5 000	6 500	6 500	8 000	8 400	8 820
Collection costs/printing consumer accounts	205	1 079	854	500	1 000	1 000	500	525	551
Streetlights-energy efficient lighting	-	26 364	9 953	10 000	10 000	10 000	8 000	8 400	8 820
Debt collectors	-	38 757	24 221	5 000	6 500	6 500	1 000	1 050	1 103
VAT Review	-	-	-	-	-	-	1 000		
Compilation of Financial Statements	-	-	-	-	-	-	5 000	2 100	2 205
Assets Verification	-	-	-	-	-	-	1 300		
Urban Renewal	-	-	-	-	-	-	5 000	5 250	5 513
-	-	-	-	-	-	-			
sub-total	42 262	122 159	79 388	65 000	84 540	84 540	78 700	77 070	80 924
Allocations to organs of state:									
Electricity									
Water									
Sanitation									
Other									
Total contracted services	42 262	122 159	79 388	65 000	84 540	84 540	78 700	77 070	80 924



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Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions									
Consultant fees	4 626	18 756	6 084	14 362	13 202	13 202	-	-	-
Audit fees	4 454	4 084	4 694	4 000	7 000	7 000	5 680	6 521	6 847
General expenses	2 548	10 103	22 970	25 000	25 000	25 000	20 000	21 051	22 348
DEPARTMENTAL CHARGES	14 045	7 135	4 231	4 606	31 662	31 662	4 836	5 078	5 332
MSIG EXPENDITURE	790	800	890	934	934	934	930	957	1 033
REPAIRS AND MAINTENANCE	42 908	79 762	72 185	79 543	74 065	74 065	100 545	105 572	110 850
RESTATEMENT OF ASSETS	695 109	88 069	-	-	-	-	-	-	-
COMMUNITY PROJECT EXPENDITURE	104 654	10 047	72 314	-	-	-	-	-	-
TRAINING	1 071	814	1 621	2 016	2 000	2 000	2 815	2 956	3 104
DUSTBINS	-	5	227	800	800	800	1 500	1 575	1 654
FUEL & OIL	6 212	5 903	6 022	3 207	2 500	2 500	2 000	2 100	2 205
PROTECTIVE CLOTHING	2 305	5 640	1 131	3 233	2 130	2 130	700	735	772
WATER LEVIES REFUND	39 000	33 925	27 865	28 000	29 000	29 000	30 000	31 500	33 075
BANK CHARGES	1 692	1 803	1 427	1 200	2 100	2 100	1 500	1 575	1 654
INDIGENT SUBSIDY	6 149	10 390	8 600	8 000	8 600	8 600	-	-	-
TELEPHONE	2 784	2 739	2 867	3 125	2 500	2 500	2 000	2 100	2 205
LEGAL CHARGES	2 532	948	2 388	3 060	6 000	6 000	4 500	4 725	4 961
EMPLOYEES WELLNESS	9	1 881	1 178	1 300	1 300	1 300	1 300	1 365	1 433
DATA LINE & ICT STRATEGY	568	303	1 306	2 240	1 300	1 300	1 600	1 680	1 764
IDP/LDO PROJECTS	-	206	5 094	9 584	4 100	4 100	12 350	12 968	13 616
MAYORAL FUND	191	473	3 553	5 000	400	400	-	-	-
BURSARIES	-	132	2 258	5 500	3 600	3 600	9 000	9 450	9 923
CAPACITY BUILDING	190	136	705	2 787	2 540	2 540	-	-	-
MEMBERSHIP FEES: SALGA	376	1 770	1 928	2 000	3 700	3 700	3 800	3 990	4 190
Other Expenditure By Type	6 072	731	34 181	76 752	75 543	75 543	83 595	87 774	92 163
Total 'Other' Expenditure	938 283	286 555	285 719	286 249	299 975	299 975	288 651	303 671	319 128
Repairs and Maintenance									
Employee related costs									
Other materials									
Contracted Services									
Other Expenditure	42 908	79 762	72 185	79 543	74 065	74 065	100 545	105 572	110 850
Total Repairs and Maintenance Expenditure	42 908	79 762	72 185	79 543	74 065	74 065	100 545	105 572	110 850



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TABLE 65

FS194 Maluti-a-Phofung - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Vote 1 - Legislative Authority	Vote 2 - Office of the Municipal Manager	Vote 3 - Corporate Services	Vote 4 - Budget & Treasury Office	Vote 5 - Municipal Infrastructur e	Vote 6 - Community Services	Vote 7 - Public Safety	Vote 8 - Parks, Sports & Recreation	Vote 9 - LED & Tourism	Vote 10 - Human Settlement and Development	Vote 11 - Spatial Planning & Development	Vote 12 - Electricity Department	Vote 13 - Maluti Water (Pty) Ltd	Vote 14 - vote 14	Vote 15 - vote 15	Total
R thousand																
Revenue By Source																
Property rates	-	-	-	267 000	-	-	-	-	-	-	-	-	-	-	-	267 000
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	502 000	-	-	-	502 000
Service charges - water revenue	-	-	-	-	90 930	-	-	-	-	-	-	-	-	-	-	90 930
Service charges - sanitation revenue	-	-	-	-	39 900	-	-	-	-	-	-	-	-	-	-	39 900
Service charges - refuse revenue	-	-	-	-	32 000	-	-	-	-	-	-	-	-	-	-	32 000
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	24	-	-	335	-	-	-	-	-	-	-	359
Interest earned - external investments	-	-	-	2 500	-	-	-	-	-	-	-	-	-	-	-	2 500
Interest earned - outstanding debtors	-	-	-	20 000	-	-	-	-	-	-	-	-	-	-	-	20 000
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	20 000	-	-	-	-	-	-	-	-	20 000
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	481 724	5	1 518	1 042	384	6 000	1 060	875	2 422	-	-	-	495 039
Transfers recognised - operational	-	-	-	454 044	-	-	-	-	-	-	-	-	-	-	-	454 044
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and	-	-	-	1 225 268	162 859	1 518	21 042	729	6 000	1 060	875	504 422	-	-	-	1 923 773
Expenditure By Type																
Employee related costs	12 576	22 112	11 782	28 983	50 306	10 677	50 202	33 437	8 326	13 471	9 473	29 238	-	-	-	280 582
Remuneration of councillors	23 643	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23 643
Debt impairment	-	-	-	50 000	-	-	-	-	-	-	-	-	-	-	-	50 000
Depreciation & asset impairment	-	-	-	175 000	-	-	-	-	-	-	-	-	-	-	-	175 000
Finance charges	-	-	-	6 000	-	-	-	-	-	-	-	-	-	-	-	6 000
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	620 000	-	-	-	620 000
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	44 200	-	-	-	-	3 000	-	5 000	26 500	-	-	-	78 700
Transfers and grants	-	-	-	219 580	-	-	-	-	-	-	-	35 816	-	-	-	255 396
Other expenditure	69 448	9 762	13 550	45 326	59 171	1 024	20 995	3 353	19 220	590	525	45 687	-	-	-	288 650
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	105 667	31 874	25 331	569 089	109 477	11 701	71 197	36 790	30 546	14 061	14 998	757 241	-	-	-	1 777 972
Surplus/(Deficit)	(105 667)	(31 874)	(25 331)	656 179	53 383	(10 183)	(50 155)	(36 061)	(24 546)	(13 001)	(14 123)	(252 819)	-	-	-	145 801
Transfers recognised - capital	-	-	-	304 865	-	-	-	-	-	-	-	-	-	-	-	304 865
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(105 667)	(31 874)	(25 331)	961 044	53 383	(10 183)	(50 155)	(36 061)	(24 546)	(13 001)	(14 123)	(252 819)	-	-	-	450 666



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TABLE 66

FS194 Maluti-a-Phofung - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'									
Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days									
Other current investments > 90 days	-	-	-	100 000	-	-	-	-	-
Total Call investment deposits	-	-	-	100 000	-	-	-	-	-
Consumer debtors									
Consumer debtors	401 017	470 534	680 176	683 891	680 176	680 176	300 000	315 000	330 750
Less: Provision for debt impairment	(315 810)	(338 277)	(411 350)	(546 556)	(411 350)	(411 350)	(50 000)	(52 500)	(55 125)
Total Consumer debtors	85 207	132 258	268 826	137 335	268 826	268 826	250 000	262 500	275 625
Debt impairment provision									
Balance at the beginning of the year	(282 636)	(315 810)	(338 277)	546 556	411 350	411 350	50 000	52 500	55 125
Contributions to the provision	-	-	-	-	-	-	-	-	-
Bad debts written off	(33 174)	(22 467)	(73 074)	-	-	-	-	-	-
Balance at end of year	(315 810)	(338 277)	(411 350)	546 556	411 350	411 350	50 000	52 500	55 125
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 305 179	3 090 945	3 084 954	5 683 732	3 084 954	3 084 954	2 870 207	3 013 717	3 164 403
Leases recognised as PPE	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	929 280	214 220	214 746	1 107 734	214 746	214 746	175 000	183 750	192 938
Total Property, plant and equipment (PPE)	4 375 899	2 876 725	2 870 207	4 575 998	2 870 207	2 870 207	2 695 207	2 829 967	2 971 466
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	10 072	3 031	3 272	(0)	-	-	-	-	-
Current portion of long-term liabilities	-	-	-	-	-	-	-	-	-
Total Current liabilities - Borrowing	10 072	3 031	3 272	(0)	-	-	-	-	-
Trade and other payables									
Trade and other creditors	240 110	319 356	567 052	231 517	618 094	618 094	200 000	210 000	220 500
Unspent conditional transfers	10 280	7 854	7 045	9 297	7 045	7 045	-	-	-
VAT	9	-	16 188	13 642	16 188	16 188	-	-	-
Total Trade and other payables	250 400	327 210	590 285	254 456	641 327	641 327	200 000	210 000	220 500
Non current liabilities - Borrowing									
Borrowing	14 147	17 017	13 762	0	13 762	13 762	11 262	8 762	6 262
Finance leases (including PPP asset element)	7 675	399	-	21 708	-	-	-	-	-
Total Non current liabilities - Borrowing	21 821	17 416	13 762	21 708	13 762	13 762	11 262	8 762	6 262
Provisions - non-current									
Retirement benefits	9 344	11 181	12 290	11 740	12 290	12 290	12 905	13 550	14 227
List other major provision items									
Refuse landfill site rehabilitation	35 028	25 714	27 309	0	0	0	0	0	1
Other	11 750	16 797	18 322	56 769	45 631	45 631	17 000	17 850	18 743
Total Provisions - non-current	56 122	53 692	57 921	68 510	57 922	57 922	29 905	31 400	32 970
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	4 279 631	2 846 319	2 677 681	4 543 614	2 677 681	2 677 681	2 955 579	3 106 421	3 264 680
GRAP adjustments									
Restated balance	4 279 631	2 846 319	2 677 681	4 543 614	2 677 681	2 677 681	2 955 579	3 106 421	3 264 680
Surplus/(Deficit)	(320 316)	(186 066)	(168 637)	258 309	279 602	279 602	450 665	460 113	466 953
Appropriations to Reserves									
Transfers from Reserves									
Depreciation offsets									
Other adjustments									
Accumulated Surplus/(Deficit)	3 959 315	2 660 253	2 509 044	4 801 923	2 957 283	2 957 283	3 406 244	3 566 534	3 731 633
Reserves									
Housing Development Fund									
Capital replacement									
Self-insurance									
Other reserves									
Revaluation									
Total Reserves	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 959 315	2 660 253	2 509 044	4 801 923	2 957 283	2 957 283	3 406 244	3 566 534	3 731 633
Total capital expenditure includes expenditure on nationally significant priorities:									
Provision of basic services									



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TABLE 67

FS194 Maluti-a-Phofung - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population					517	385	620	718	754	791	791	791
Females aged 5 - 14					58	42	65	75	79	83	83	83
Males aged 5 - 14					56	43	59	68	72	75	75	75
Females aged 15 - 34					100	75	103	119	125	131	131	131
Males aged 15 - 34					88	66	89	103	109	114	114	114
Unemployment					84	-	259	300	315	331	331	331
Monthly household income (no. of households)	1, 12											
No income					191 401	191 401	191 401	221 571	232 649	244 282	244 282	244 282
R1 - R1 600					161 806	161 806	161 806	187 311	196 676	206 510	206 510	206 510
R1 601 - R3 200					6 890	6 890	6 890	7 976	8 375	8 794	8 794	8 794
R3 201 - R6 400					7 020	7 020	7 020	8 127	8 533	8 959	8 959	8 959
R6 401 - R12 800					4 526	4 526	4 526	5 239	5 501	5 776	5 776	5 776
R12 801 - R25 600					1 572	1 572	1 572	1 820	1 911	2 006	2 006	2 006
R25 601 - R51 200					497	497	497	575	604	634	634	634
R52 201 - R102 400					125	125	125	145	152	160	160	160
R102 401 - R204 800					215	215	215	249	261	274	274	274
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area					465 318	465	552	639	671	705	705	705
Number of poor people in municipal area					55 639	60	66	77	81	85	85	85
Number of households in municipal area					117 318	117	138	160	168	176	176	176
Number of poor households in municipal area					25 629	26	30	35	36	38	38	38
Definition of poor household (R per month)					1 850	1 850	2 196	2 542	2 669	2 803	2 803	2 803
Housing statistics	3											
Formal						97 172	97 172	100 228	100 228	100 228	100 228	100 228
Informal												
Total number of households			-	-	-	97 172	97 172	100 228	100 228	100 228	100 228	100 228
Dwellings provided by municipality	4					83 300						
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	83 300	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						5.8%	5.8%	6.1%	6.5%	6.5%	6.5%	6.5%
Interest rate - borrowing						11.0%	11.5%	13.0%	13.5%	13.5%	13.5%	13.5%
Interest rate - investment						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Remuneration increases						6.5%	7.0%	1% + CPI	1.25% + CPI	1.25% + CPI	1.25% + CPI	1.25% + CPI
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges						87.3%	72.8%	131.9%	23.4%	90.0%	95.0%	85.0%
Rental of facilities & equipment						41.9%	64.6%	62.6%	40.0%	70.0%	67.0%	70.0%
Interest - external investments						69.6%	78.5%	155.8%	36.5%	60.0%	68.0%	78.0%
Interest - debtors						265.1%	127.1%	93.4%	33.8%	90.0%	85.0%	75.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



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Detail on the provision of municipal services for A10

Total municipal services	Ref.	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total municipal services	8 10 9 10	Household service targets (000)								
		Water:								
		Piped water inside dwelling	34 604	44 457	85 420	85 488	85 488	85 488	85 488	85 488
		Piped water inside yard (but not in dwelling)	38 120	38 200	10 881	10 890	10 890	10 890	10 890	10 890
		Using public tap (at least min.service level)	13 604	6 802						
		Other water supply (at least min.service level)	2 624	1 313						
		<i>Minimum Service Level and Above sub-total</i>	88 952	90 772	96 301	96 378	96 378	96 378	96 378	96 378
		Using public tap (< min.service level)	3 520	2 100						
		Other water supply (< min.service level)	4 700	4 300	3 927	3 850	3 850	3 850	3 850	3 850
		No water supply								
		<i>Below Minimum Service Level sub-total</i>	8 220	6 400	3 927	3 850	3 850	3 850	3 850	3 850
		Total number of households	97 172	97 172	100 228	100 228	100 228	100 228	100 228	100 228
		Sanitation/sewerage:								
		Flush toilet (connected to sewerage)	30 424	31 500	32 941	35 642	35 642	35 642	35 642	35 642
		Flush toilet (with septic tank)	1 350	1 983	2 607	2 633	2 633	2 633	2 633	2 633
		Chemical toilet	4 800	3 500	3 195	2 099	2 099	2 099	2 099	2 099
		Pit toilet (ventilated)	50 350	44 471	17 424	21 900	21 900	21 900	21 900	21 900
		Other toilet provisions (> min.service level)	8 235	13 526	38 949	33 600	33 600	33 600	33 600	33 600
		<i>Minimum Service Level and Above sub-total</i>	95 159	94 980	95 116	95 874	95 874	95 874	95 874	95 874
		Bucket toilet	253	412	715					
		Other toilet provisions (< min.service level)			2 133	2 154	2 154	2 154	2 154	2 154
		No toilet provisions	1 760	1 780	2 264	2 200	2 200	2 200	2 200	2 200
		<i>Below Minimum Service Level sub-total</i>	2 013	2 192	5 112	4 354	4 354	4 354	4 354	4 354
		Total number of households	97 172	97 172	100 228	100 228	100 228	100 228	100 228	100 228
		Energy:								
		Electricity (at least min.service level)	81 872	86 672	95 508	95 461	95 461	95 461	95 461	95 461
		Electricity - prepaid (min.service level)								
		<i>Minimum Service Level and Above sub-total</i>	81 872	86 672	95 508	95 461	95 461	95 461	95 461	95 461
		Electricity (< min.service level)								
		Electricity - prepaid (< min. service level)								
		Other energy sources	15 300	10 500	4 720	4 767	4 767	4 767	4 767	4 767
		<i>Below Minimum Service Level sub-total</i>	15 300	10 500	4 720	4 767	4 767	4 767	4 767	4 767
		Total number of households	97 172	97 172	100 228	100 228	100 228	100 228	100 228	100 228
		Refuse:								
		Removed at least once a week	27 019	27 025	26 567	26 833	26 833	26 833	26 833	26 833
		<i>Minimum Service Level and Above sub-total</i>	27 019	27 025	26 567	26 833	26 833	26 833	26 833	26 833
		Removed less frequently than once a week	489	489	491	496	496	496	496	496
		Using communal refuse dump	5 100	5 200	5 224	5 276	5 276	5 276	5 276	5 276
		Using own refuse dump	53 400	53 800	54 061	54 602	54 602	54 602	54 602	54 602
		Other rubbish disposal	664	1 158	5 576	5 632	5 632	5 632	5 632	5 632
		No rubbish disposal	10 500	9 500	8 309	7 390	7 390	7 390	7 390	7 390
		<i>Below Minimum Service Level sub-total</i>	70 153	70 147	73 861	73 396	73 396	73 396	73 396	73 396
		Total number of households	97 172	97 172	100 228	100 228	100 228	100 228	100 228	100 228
Municipal in-house services	8 10 9 10	Household service targets (000)								
		Water:								
		Piped water inside dwelling								
		Piped water inside yard (but not in dwelling)								
		Using public tap (at least min.service level)								
		Other water supply (at least min.service level)								
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
		Using public tap (< min.service level)								
		Other water supply (< min.service level)								
		No water supply								
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-
		Sanitation/sewerage:								
		Flush toilet (connected to sewerage)								
		Flush toilet (with septic tank)								
		Chemical toilet								
		Pit toilet (ventilated)								
		Other toilet provisions (> min.service level)								
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
		Bucket toilet								
		Other toilet provisions (< min.service level)								
		No toilet provisions								
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-
		Energy:								
		Electricity (at least min.service level)	20 000	83 098	21 000	22 050	22 050	22 050	23 153	23 153
		Electricity - prepaid (min.service level)								
		<i>Minimum Service Level and Above sub-total</i>	20 000	83 098	21 000	22 050	22 050	22 050	23 153	23 153
		Electricity (< min.service level)								
		Electricity - prepaid (< min. service level)								
		Other energy sources								
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
		Total number of households	20 000	83 098	21 000	22 050	22 050	22 050	23 153	23 153
		Refuse:								
		Removed at least once a week	25 000	30 112	26 250	27 563	27 563	27 563	28 941	28 941
		<i>Minimum Service Level and Above sub-total</i>	25 000	30 112	26 250	27 563	27 563	27 563	28 941	28 941
		Removed less frequently than once a week								
		Using communal refuse dump								
		Using own refuse dump	2 100	2	2 205	2 315	2 315	2 315	2 431	2 431
		Other rubbish disposal								
		No rubbish disposal								
		<i>Below Minimum Service Level sub-total</i>	2 100	2	2 205	2 315	2 315	2 315	2 431	2 431
		Total number of households	27 100	30 114	28 455	29 878	29 878	29 878	31 372	31 372



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Municipal entity services	Ref.		2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Name of municipal entity	8	Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling		43 482							
		Piped water inside yard (but not in dwelling)	44 000	43 108	46 200	48 510	48 510	48 510	50 936	50 936	50 936
		Using public tap (at least min.service level)		2 620							
		Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	44 000	89 210	46 200	48 510	48 510	48 510	50 936	50 936	50 936
		Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total									
		Total number of households	44 000	89 210	46 200	48 510	48 510	48 510	50 936	50 936	50 936
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)		31 228	32 789	34 429	34 429	34 429	36 150	34 429	34 429
Name of municipal entity	9	Flush toilet (with septic tank)		1 756	1 844	1 936	1 936	1 936	2 033	1 936	1 936
		Chemical toilet									
		Pit toilet (ventilated)	32 000	30 793	33 600	35 280	35 280	35 280	37 044	35 280	35 280
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	32 000	63 777	68 233	71 645	71 645	71 645	75 227	71 645	71 645
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total									
		Total number of households	32 000	63 777	68 233	71 645	71 645	71 645	75 227	71 645	71 645
		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total									
		Electricity (< min.service level)									
Name of municipal entity	10	Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total									
		Total number of households									
		<u>Refuse:</u>									
		Removed at least once a week									
		Minimum Service Level and Above sub-total									
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total									
		Total number of households									
Services provided by 'external mechanisms'	Ref.	Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total									
		Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total									
		Total number of households									
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
Names of service providers		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total									
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total									
		Total number of households									
		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total									
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
Names of service providers		Other energy sources									
		Below Minimum Service Level sub-total									
		Total number of households									
		<u>Refuse:</u>									
		Removed at least once a week									
		Minimum Service Level and Above sub-total									
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total									
		Total number of households									



TABLE 68

FS194 Maluti-a-Phofung - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Dinatta Advisory	Yrs		Reconciliation of public works accounts (old debt)		
MAXIMUM PROFIT RECOVERY	Yrs		VAT reconciliation/review	21 October 2012	–
LATERAL UNISON	Yrs		Insurance (main building, transformers, maluti water)		
Landfill Consult (Pty) Ltd	Yrs	3	Landfill site management	30 September 2016	8 003
LD Medical Equipment Services	Yrs	3	Employee Wellness Programme	30 June 2015	3 000
CAB Holdings (pty) Ltd	Yrs	3	Pricing of service Accounts statements	12 September 2014	3 600
M2TSYSTEM	Yrs		Technical support revenue management		
GRINPAL	Yrs		Install Automatic Meter Reading, maintenance & Support		
KHOASE	Yrs		Install prepaid meters & remove electricity tamper		
ROBS INVESTMENT	Yrs		Supply & delivery of electrical materials		
BYTES SOLUTION	Yrs		Photocopies & fax machinery leasing		
ALTIMAX TRAINING ACADEMY	Yrs		Financial statements preparations		
TAT I-CHAIN	Yrs		Verification of assets		
MARKET DEMAND TRADING 773 (PTY) LTD	Yrs		Geo-tagging/ Compilation of Grap compliant Infrastructure asset register		
SOLAR SPECTRUM TRADING 24 PTY LTD	Yrs		Installation of energy efficient lighting		
MANNA HOLDINGS	Yrs		Compilation of the valuation roll		3 400

2.14.1 ANNUAL BUDGETS OF MUNICIPAL ENTITIES

See Annexure 4 for details schedules



2.15 Municipal manager's quality certification

I TC TAETSANE Municipal Manager of Maluti - A - Phofung Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget is consistent with the business plans of the municipality and the integrated development plan

Print name: TAETSANE TC

Municipal Manager of Maluti - A - Phofung Municipality

Signature: _____

Date: _____